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FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company:	SOMANY CERAMICS LTD.
2	Annual financial statements for the year ended	31st March, 2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A
5	To be signed by:	
	CEO/Managing Director	 Shreekant Somany Chairman and Managing Director
	CFO	 R.K. Lakhotia Vice President Finance
	Auditor of the Company	 M/s Lodha & Co. Chartered Accountants 
	Audit Committee Chairman	 R.K. Daga Chairman Audit Committee

SOMANY CERAMICS LIMITED

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Corporate Identity Number (CIN) : L40200DL1968PLC005169

The logo for Somany Ceramics Limited, featuring the word "SOMANY" in white, uppercase, sans-serif font on a red rectangular background. A small blue square icon is positioned to the right of the text.

SOMANY

By design...

Somany
Ceramics
Limited

Annual Report
2013-14



Forward Looking Statement

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

TABLE OF CONTENTS

02	Somany by Design
12	Message from the Chairman & Managing Director
16	Q&A session with the Joint Managing Director
20	Somany Ceramics Today
22	Financial Highlights
24	Segment Overview
28	Management Discussion & Analysis
36	Directors' Report
43	Corporate Governance Report
51	Standalone Financial Statements
85	Consolidated Financial Statements

From Somany Pilkingtons to Somany Ceramics, from a modest production capacity of 0.52 mn sqm in 1972 to access to 44 mn sqm of tiles, from a small player to market leader, from ceramic tiles to glazed vitrified and polished vitrified tiles, from own manufacturing to outsourcing, from tiles to other sanitary ware and bathroom fittings; Somany's story is certainly that of unprecedented growth. Growth is not a matter of chance but has been achieved based on its strong leadership position, brand value and the ability to perform exceptionally well year after year. True, Somany's growth story is that of achieving it all

By design...

Leadership By Design

SOMANY



Over the years, Somany has held a clear and distinctive position among the top 3 manufacturers of tiles in India. Striving to enhance its position using its long standing record in innovation, quality and durability; the Company is relentlessly working towards setting benchmarks and creating trends in the tiles sector, with access to ~44 mn sqm of tile manufacturing capacity of ceramic, polished vitrified and glazed vitrified tiles. Over four decades of spearheading industry innovation in ceramics and allied products segment, Somany Ceramics has established its presence as a leading and formidable force in the Indian tiles sector. From implementing the newest in technological brilliance to a steadfast practice of lateral thought and trend-setting approach, to pioneering several first in design and style for consumers, Somany Ceramics determined pursuit of delivering excellence has placed its brand in an illustrious bracket. The Company at all times has focused on acquiring and leveraging on latest technology to be recognized as an undisputed leader in Design & Innovation. In this pursuit, Somany brand has been astonishingly successful for delivering products that reflects a consumer's personality, making it the most valued brand in the category .

“ Leadership is the capacity to translate vision into reality

- Warren Bennis

”
The Company has come a long way to be recognized as a trail-blazer for everyone to follow.

Through its entrenched distribution network, it has reached millions of households in India as well as abroad. It has 6500 plus touch points including 223 franchisee showrooms/own display centers spread across the country, making the Company stand out as distinct and diverse.

During the year, the Company set a fine paradigm of leadership in the market by achieving 19.3% growth in its top-line amidst dismal economic scenario and equally tough market competition.

By venturing into the sanitary ware and bath fittings segment, the Company is yet again ready for another successful leap into the future of growth and prosperity.

44
mn sqm
capacity access

6500+
touch points

Preference By Design



SOMANY

The brand value of Somany has been at the fulcrum of every move made so far by the Company. Taking a pie share of the consumers' mind space, Somany has always been seen as a Company focused on creating products that fair well with its consumers' expectations. True, the Company's spending on brand strengthening exercises like advertisement in electronic, print and social media, participation in prestigious exhibitions and sponsoring architecture and design conference etc., has been on a rise and forms an integral part of the year's key activity calendar.

The quality of the products is paramount at Somany. The Company conducts rigorous testing of its own as well as the outsourced products in order to achieve the quality its customers respect the Company for.

“ Management is all about managing in the short term, while developing the plans for the long term - Jack Welch ”

As a return to the investment put in to reach out to the customers, the Company has received acceptance as a brand that satisfies consumer preference and constantly works towards the betterment of its design as per the liking pattern and preferences of its discerning customers. The Company currently has a rich basket of diverse products consisting of tiles, sanitaryware and bath fittings. In tiles segment it has currently 1966 running designs.

With several cutting-edge and unique designs under its name, the Company has been riding high on the skills of its internal design team, which is competent to produce world-class designer products.

223
franchisee
showrooms/
own display
centres



1966
running designs



Innovation By Design



latest
technology



“
The best way to predict the
future is to invent it - Alan Kay
”

Somany has been taking effective measures towards offering best-in-class designer products to its end-consumers. The Company invests a lot in technology and as a result of its efficiency in R&D has been able to introduce many path breaking designs and products in the market. Due to the quality expertise, the Company today owns patent for the Veil Craft Shield (VC) technology, a first-of-its-kind in the Indian tile industry. It has recently filed a patent for the slip-resistant tile branded as “Somany Slip Shield”, which is another quality endured product that the Company has introduced in the market recently. Somany has also pioneered the launch of 800 MM (80 CM) X 1200 MM (120 CM) large-size tiles, which have received an encouraging response from the market.

The patented VC shield tiles got another recognition. These were selected for Corporate Technical Achievement awarded by the reputed International ceramic body, The American Ceramics Society (ACerS).

In the last two years, we have installed 7 digital printers in our own manufacturing facilities, which enables us to produce digital tiles with even more precision.



large-sized
tiles

SOMANY

Empowerment By Design

“ We cannot build our own future without helping others to build theirs - *Bill Clinton* ”

32%
increase in
employee
welfare expense

35 years
average age of
employees

The Company believes in motivating its human capital by creating a sense of belongingness among them. To this effect, the Company has a cohesive HR policy and various programs in place. These programs cover all aspects of an employee's tenure- from his induction into the Company to its overall skill and personality development. The Company has been able to bring down the attrition rate to 11.2% from 16% in the last two years.

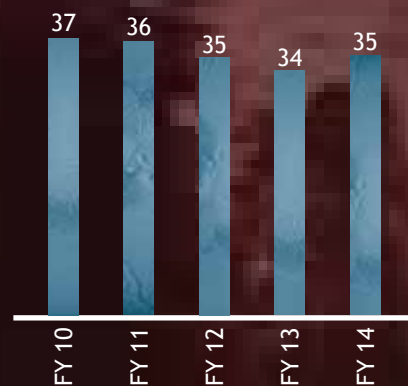
The youth and vibrancy of the Company has translated to the employees integrally in the form of overall enthusiasm they display in taking forward the Company's vision of growth and progress. The average age of employees in FY14 was 35 years, which the Company targets to bring down to 34 in FY15.

When an employee enters the organization, he goes through an

interaction program named 'HR One' to internalize him to Somany's work culture. Stay interviews are conducted throughout the year to gauge the motivation levels among the employees to stay within the organization. Improvisations are suggested or implemented in case of any viable dissatisfaction found during the interview.

Somany as a Company believes in overall progress and development of its employees and so have programs like Personal Excellence Course and Internal Faculty Development put in place. With these programs, Somany attempts to perk up the skills of its employees overall and as per the requirement of the organization. During the year, there was an increase of 32% in the employee welfare expense by the Company.

Average age (Years)



Growth By Design



SOMANY

Export Growth
25%
5-year CAGR



The leadership position, brand and marketing spends and the ability to think innovatively have all contributed to the overall growth of Somany Ceramics. Today, the Company is the frontrunner in the industry. With its robust internal structure and strong foundation, the Company has been able to keep its financial growth trajectory intact. While the industry grew at ~ 14%, the Company has been able to maintain a top-line growth of 19.3% during the year. Even when the production was halted due to an uncalled for strike in Morbi, Gujarat, the Company managed to achieve the target that it had set for itself for the year. This is entirely the result of a strategy designed to take the Company to greater heights of success.

“
**Anyone can hold
the helm when the
sea is calm** - *Publilius Syrus*
”

The Company has been continuously working on improving its cost-efficiency through effective mechanisms, which is helping it maintain its position even in tough market scenario and high energy costs. It is looking at exploring more and more geographies through its world-class products and has already achieved a 40% hike in exports over the last year.

All this together, makes Somany and growth a perfect combination.

Sales Growth
24%
5-year CAGR

PAT Growth
26%
5-year CAGR



Shreekant Somany

SOMANY

Message from the Chairman & Managing Director

Dear Shareholders,

Somany Ceramics increased sales by 19.3% during the Fiscal Year 2013-14 (FY14) despite a difficult market scenario. Our performance during the year was influenced by some important decisions and actions. Expansion of capacities through associates; increase in the number of showrooms/ display centers and touch points; overall process enhancement through optimization of resources; and more than 95% capacity utilization during the year.

Capacity and capability building efforts

With overall ground being laid for performance, we have been able to maintain our leadership position. We accentuated the capacity in one of our existing Morbi (Gujarat) based associate plant. Apart from that, we acquired stakes in three more Morbi-based tile manufacturers. With this, at the end of FY14 we had access to an annualized tile manufacturing capacity of ~44 mn sqm.

We added 42 showrooms/ display centers mostly franchisee-managed across the country to take our count to 223.

We have also filed for another patent for slip-resistant tiles-branded as 'Slip-Shield Tiles', which means that we now have another revolutionary product from Somany to offer to our discerning client base. We hope to achieve customer satisfaction through this and with many more innovations to come from our stable.

Rewards and recognitions

We received some recognitions during the year which are a souvenir for the hard-work and efforts we have put in.

- Recognized with ISO 14051:2011 for Kadi Unit for being a model organization for adopting the MFCA (Material Flow Cost Accounting) practices.
- We have been bestowed with the Corporate Technical Achievement Award by The American Ceramic Society (ACerS) for our Somany Veil Craft Shield floor tiles.
- We were also the first tile company from India to present a research paper on "increasing the tile production of glazed vitrified tiles by using borate flux" published in the reputed international ceramic conference "Qualicer" at Spain.

These recognitions give us the confidence in the great work we are doing.

A setback endured

Between November and December 2013, we faced a setback due to strike by all Morbi- based tile makers against the government ban on the use of coal-gasifiers in their plants. With all 600+ units in Morbi shutting down, the entire industry including Somany bore the brunt as supply pipeline for outsourced tiles from Morbi completely dried up during this period. However, we managed to bounce back during the last quarter to bring the growth rate up to 19.3% despite these odds. The ban on coal-gasifiers however had a positive outcome in the sense that the entire unorganized sector is now using natural gas creating a level playing field with organized sector.

Investments in brands to continue

Going forward, we intend to keep the momentum going to be the most sought after brand in the ceramic tiles segment. We are continuously focusing on the sanitary ware and bath fittings segment to increase its share in sales for us. We are in the process of acquiring 26% stake in a sanitary ware manufacturing plant with 100% buyback arrangement. Quality being of utmost importance to us, we are progressing on the way to enhance the overall brand-worth of Somany.

With the urbanization and brand consciousness amongst people in India picking up, we are seeing a positive growth curve, going ahead. Tier 2 and tier 3 cities are giving us improved demand and we are capitalizing on it through intensive focus.

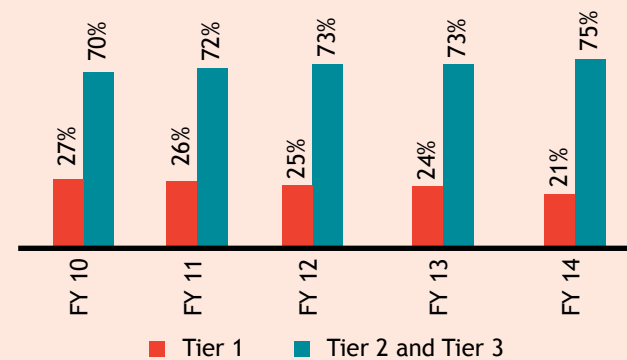
Focus areas

We intend to be more export-oriented. This year, with a 40% hike in our export sales, we are looking to penetrate deeper into new markets and take it to greater heights. We are also focusing on the asset-light model of expansion and we shall continue doing it to carry out more and more production of tiles through outsourcing.

Strategy

Somany Ceramics will continue to invest more in brand through continuous marketing and selling expeditions. Similarly, we will continue to innovate in tiles to bring in more differentiated products like the VC and Slip Shields.

Sales contribution by Tier 1 and Tier2 & 3 cities (%)



SOMANY

We have also raised ₹ 50 Crores through private equity from Creador this year. This will fuel our growth momentum going forward.

We shall continue to invest adequately in strengthening the brand 'Somany' further by advertising in print, social and electronic media, participation in prestigious national & international exhibitions and sponsoring high-powered Architecture & Design meets all over the country.

Somany's strengths

Somany's strengths are based on a dynamic and vibrant corporate culture in which the leadership, the employees and common goals are responsible for an inclusive and consistent growth. I would like to thank our employees and supervisory teams for their dedication in making Somany a renowned name. I would also like to thank you, our shareholders, for your continued trust in us. I look forward to your continued optimism.

Yours Sincerely

Shreekant Somany
Chairman & Managing Director

Abhishek Somany

SOMANY



Q&A session with the Joint Managing Director

Q. How would you describe Somany Ceramics' performance during the year FY14?

A. In one word, the year was enriching. We managed quite a few achievements during the year like capacity enhancement; equity investments in three new companies; best-ever capacity utilization of plants; and the recognitions that we received among others. This all translated for us into growth close to 20% in our top-line. This is what we had targeted. So, we have achieved our targets apart from receiving laurels for it as cherry on the cake.

Q. You grew by ~20% on the top-line but the bottom-line remained subdued. What could be the possible reasons for the same? How do we see it improving in FY15?

A. The year was much to our expectation in terms of top-line, as we achieved increased capacity and hence more production and sales. Moreover, our exports picked up by 40%, which gave us more on sales. But margins were adversely impacted mainly due to abnormal increase in prices of natural gas both on account of increase in dollar component of price and also steep depreciation of rupee. Further, rupee depreciation impacted import cost and write off of certain fixed assets also impacted the margins adversely. With exchange rates and fuel costs likely to stabilize in FY15, higher volume and a better product mix, margins may improve going forward.

Q. What are the industry drivers that you see could be foreseen as catalyst for further demand?

A. With the new Government firmly in place now, the course of markets and the Indian economy is likely to change for better and would create favorable conditions for all sectors in general and housing, real estate, construction and infrastructure in particular. This will drive the demand for our products. Our focus will continue to be on tier 2 and tier 3 cities, which are generating maximum revenue for us and would continue to do so in future also. On our internal part, we are also putting in a lot of efforts into more and more customer outreach programs to create brand awareness to induce demand.

SOMANY

Q. How do you see the real estate industry going forward?

A. With rapid urbanization, growing young population and rising disposable incomes, both housing and commercial real estate would be on an upsurge. This would drive the demand for building materials including tiles, sanitary ware and bath fittings.

Q. What is your strategy going forward?

A. Over the years, we have realized that the best way to grow is to outsource the production to smaller players and leverage our brand and distribution network for marketing and selling the same. We shall, therefore, continue with our asset light model of growth wherein we would keep adding more and more capacities by taking stake in the equity of smaller

manufacturers who shall exclusively produce for us. We shall also expand plants of our existing associates.

We shall also continue to enhance our product offerings through more value added products. We shall also ramp up the sanitary ware and bathroom fittings segment. This would make us a one-stop-destination for all home-decór needs.

Retail footprints would be strengthened further by adding more and more franchisee run stores year on year. In addition Tier 2 & Tier 3 towns and also exports would be the thrust area for enhancing sales further.

The strategies outlined above should result into a sustainable growth of our top and bottom line going forward.

PRODUCT SEGMENT

Somany has the following products under its offering basket:

- Ceramic Tiles
- Polished Vitrified Tiles (PVT)
- Glazed Vitrified Tiles (GVT)
- Sanitary Ware & Bath Fittings

OWN PLANTS

- Kassar (Haryana) - 13.13 mn sqm
- Kadi (Gujarat) - 6.02 mn sqm

SUBSIDIARY / ASSOCIATE PLANTS

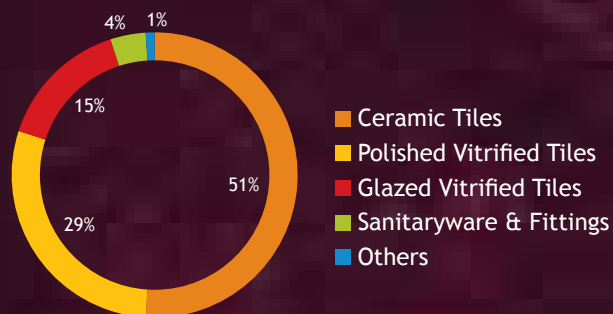
- Amora Tiles Pvt. Ltd. - 2.14 mn sqm
- Vintage Tiles Pvt. Ltd. - 2.55 mn sqm
- Commander Vitrified Pvt. Ltd. - 4.76 mn sqm
- Acer Granito Pvt. Ltd. - 2.04 mn sqm
- Vicon Ceramic Pvt. Ltd. - 3.98 mn sqm

MARKET POSITION

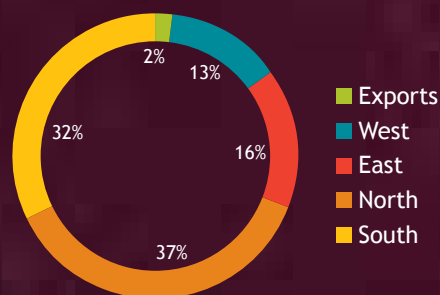
As per the industry stats, Somany Ceramics is among one of the top three tile manufacturers in India with a ~6% market share in total tiles sector and ~12% in organized tiles sector. The Company possesses some key differentiators which have helped it hold its position high in the market:

- Somany is the only Company in the industry to have a patent for its highly abrasion resistant tiles 'VC Shield'.
- It has 6500 plus touch points including 223 franchisee showrooms/ own display centers.
- It has a robust clientele with retail share of ~65% and institutional share of ~35%.
- Somany is the first in the tile industry to have government-recognized R&D facilities.
- It has a distinct design tally of 1966 running designs which have been created through its dedicated in-house design team and in collaboration with Spanish and Italian design houses.

SALES BY BUSINESS UNITS (%)



SALES BY GEOGRAPHY- DOMESTIC AND EXPORTS (%)



“Don’t mistake activity with achievement.” - John Wooden

SOMANY CERAMICS TODAY

The Company has been ascertaining that it gets recognized for its vast and extensive range of home décor products not only within the country but also outside it. Today, it is among the renowned producers of quality ceramic, polished and glazed vitrified tiles.

Apart from being a producer, the Company also has additional capacity through five associate companies and other manufacturers in Morbi, Gujarat.

Somany is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) with a market capitalization of ₹ 872 crores (as on May 23rd, 2014). It has a pan-India presence with one of the strongest distribution networks in the industry.

“ Growth is never by mere chance; it is the result of forces working together.

- James Cash Penney

”

BUSINESS STRATEGY

- Pursuing growth by maximizing ROCE through production outsourcing following an asset-light model.
- Moving up the value chain by focussing on value-addition on existing polished and glazed vitrified tiles.
- Growing our number of domestic customers through an increase in our footprints pan India.
- Brand strengthening through more value addition to the brand with more efforts in the direction.
- Throwing impetus towards capturing the value pyramid by increasing the share of tier II and III towns in our sales and exports.

VISION

To be the most sought after tile and allied product in India and be the best employer in the tile industry.

MISSION

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

AT THE HELM

Founded by Mr. H.L Somany. Headed at present by Mr. Shreekant Somany as the Chairman & Managing Director and Mr. Abhishek Somany as the Joint Managing Director.

SOMANY

5 YEARS OF PERFORMANCE AND GROWTH

In ₹ Lacs

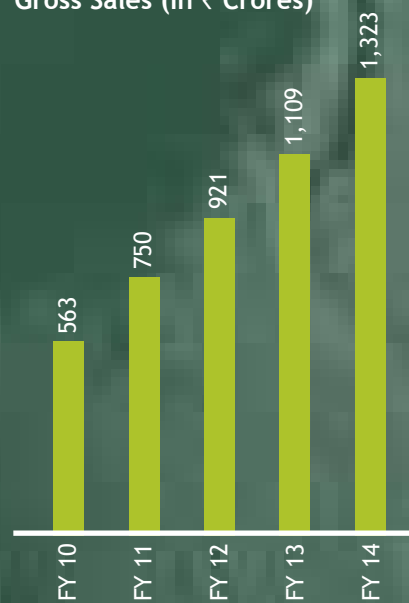
Particulars	FY 14	FY 13	FY 12	FY 11	FY 10
Share Capital	777	690	690	690	690
Reserves	21,274	14,386	11,711	9,557	7,495
Deferred Tax Liability	2,750	2,618	2,535	2,566	2,320
Loan funds#	16,975	17,608	18,097	19,122	16,223
Gross Block (including CWIP)	42,593	41,300	38,642	35,274	31,454
Net Block (including CWIP)	21,852	20,891	19,397	17,592	15,384
Investments	2,167	920	595	172	173
Current assets	45,948	39,540	32,071	29,502	24,758
Current Liabilities##	29,474	26,208	19,259	15,825	13,587
Net Current Assets	16,474	13,332	12,812	13,677	11,171
Net Sales	1,25,296	1,04,623	87,037	70,834	53,482
Other Income	757	567	394	721	504
Material costs	17,017	16,576	15,318	12,746	10,473
Energy costs	16,472	13,058	10,917	8,683	6,311
Employee Costs	8,229	7,362	6,552	5,431	4,328
Other Mfg., Admin. & Selling expenses	75,897	59,490	47,187	37,885	27,042
EBIDTA	8,438	8,705	7,456	6,810	5,832
Interest & Finance costs	1,830	1,998	2,065	1,712	1,329
EBDT	6,608	6,707	5,391	5,098	4,503
Depreciation	2,206	2,040	1,822	1,727	1,447
PBT	4,402	4,667	3,569	3,371	3,056
Tax expense	1,599	1,508	1,094	1,028	1,010
PAT	2,803	3,159	2,475	2,343	2,046
Networth	22,051	15,076	12,401	10,247	8,185
Capital Employed	41,776	35,302	33,033	31,935	26,728
EPS (₹)*	8.01	9.16	7.17	6.79	5.93
Book value (₹)*	56.77	43.70	35.95	29.70	23.73
Dividend (₹)*	1.50	1.20	0.80	0.70	0.60
RONW (%)	15.10	22.99	21.86	25.42	28.09
ROCE (%)	16.17	19.51	17.34	17.33	17.77

including current maturities of loans

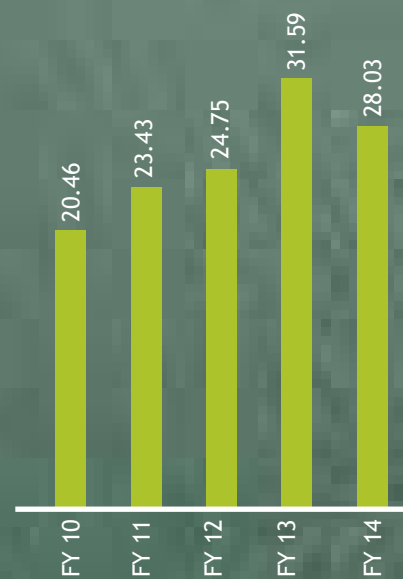
excluding current maturities of loans

* Face Value of ₹2/- per share

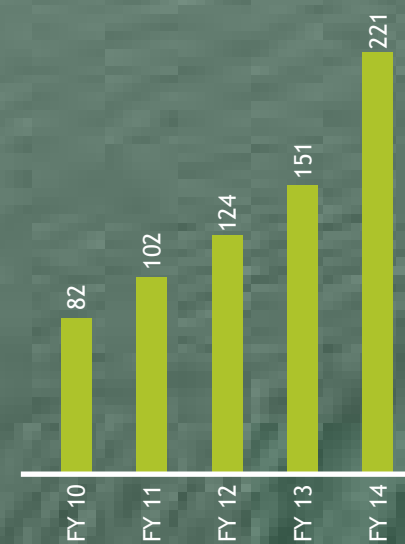
Gross Sales (In ₹ Crores)



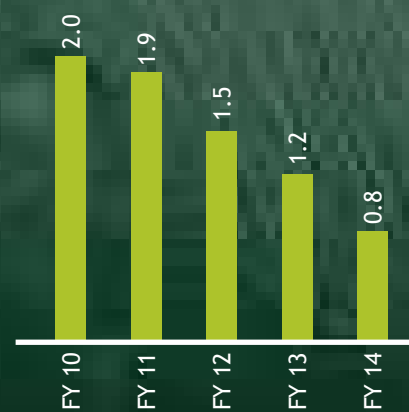
Profit after Tax (In ₹ Crores)



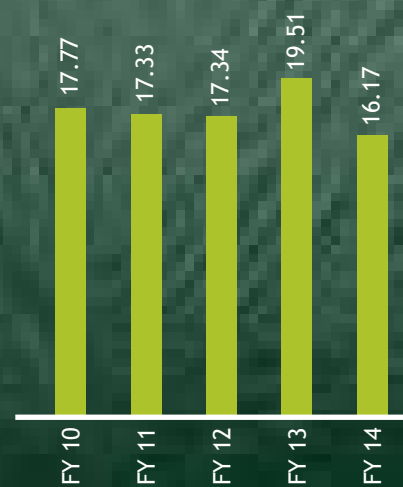
Net Worth (In ₹ Crores)



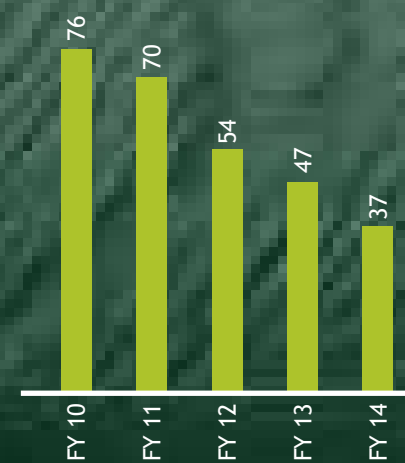
Debt Equity (Times)



Return on Capital Employed (%)

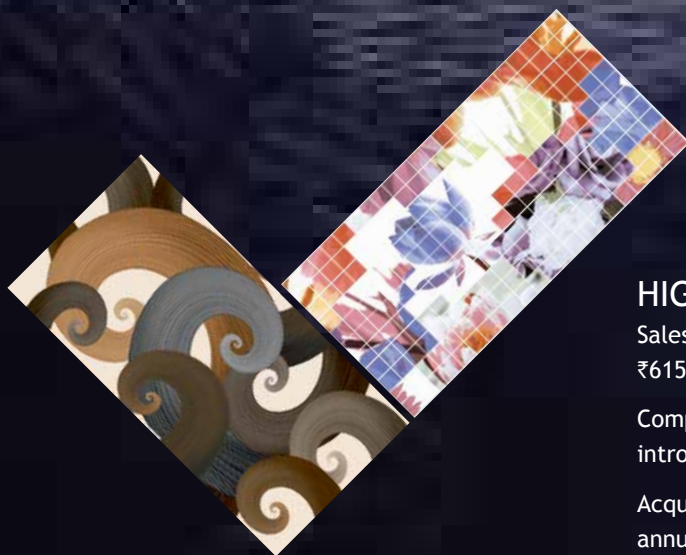


Working Capital Cycle (Days)*



* excludes current investment of ₹ 37.10 Crores

SEGMENT OVERVIEW



CERAMIC TILES

The Ceramic tiles segment contributes to about 51% to overall sales. Somany manufactures a wide range of wall and floor tiles through its two plants and outsourced production capacity.

Ceramic tiles are available in a wide range of digitally printed designs under various sizes.

These tiles are currently available in 1,565 designs.

HIGHLIGHTS 2013-14

Sales from the segment increased by 10% to ₹675.56 crores from ₹615.86 crores last year.

Company has filed a patent for slip-shield technology, which it has introduced during the year

Acquired 51% stake in Amora Tiles Pvt. Ltd. to add 2.14 mn sqm per annum of ceramics tiles

Acquired 26% stake in Vicon Ceramic Pvt. Ltd. to add 2.14 mn sqm per annum of ceramic tiles.

STRATEGY 2014-15

As per its long-term strategy, the Company is looking forward to sustain its position in the market in ceramic tiles through more manufacturing tie-ups. This year, Somany introduced a new range of tiles, Glosstra, which is the glossiest tile produced by the Company. The Company wants to maintain its innovative streak in future through more such developments.

The existing associate Amora Tiles Pvt. Ltd. is going to expand its capacity to produce 2.44 mn sq m additionally.

“ Strength and growth come only through continuous effort and struggle - Napoleon Hill

POLISHED VITRIFIED TILES (PVT)

The Company has christened its polished vitrified tiles as “Somany Vitro”. This is the fastest growing segment and contributes to 29% of the overall sales.

These tiles are currently available in 46 designs.



HIGHLIGHTS 2013-14

Sales from the segment increased by 36% to ₹392.93 Crores from ₹289.98 Crores last year.

The Company invested 26% in Vicon Ceramics Private Ltd. to add 1.84 mn sqm per annum.

The Company also invested 26% in Acer Granito Pvt. Ltd. to add 2.04 mn sqm per annum.

Commander Vitrified Pvt. Ltd., one of the associates, expanded its capacity by 2.72 mn sqm.

STRATEGY 2014-15

The existing associate Acer Granito is going to expand its capacity to produce 3.06 mn sqm per annum additionally.

The Company is also planning to invest in one more company for production of upto 5 mn sqm of polished vitrified tiles annually. The Company is looking forward to introduce more value-added tiles in the segment.

GLAZED VITRIFIED TILES (GVT)

Somany launched glazed vitrified tiles in 2010 with the brand name Durgares. This segment has been displaying commendable growth over the last couple of years. The segment contributes to about 15% of overall sales.

These tiles are currently available in 355 designs.



HIGHLIGHTS 2013-14

The sales from this segment increased by 19% to ₹198.41 crores from ₹167.47 last year.

Introduced large sized tile 800X1200 mm into the segment.

STRATEGY 2014-15

The Company is looking forward to move up the value chain by enhancing the sales share from this segment.

SANITARY WARE & BATH FITTINGS

This segment currently contributes to around 4% to the total sales of the Company. However, the Company entered into sanitary ware and bath fittings segment in the year 2007 and 2010, respectively. With the increase in scale of operation, the Company is taking strategic move in the sanitary ware space by investing into 26% equity in Sonec Sanitaryware Pvt. Ltd., which has an existing capacity to produce 0.3 mn pieces per annum.

HIGHLIGHTS 2013-14

Sales from the segment grew by 65% to ₹49.53 Crores from ₹30.07 Crores in 2012-13.

STRATEGY 2014-15

The Company intends to become the one-stop-shop for the entire home décor section through more focus on the segment.



SOMANY

Management Discussion & Analysis

Economic Environment

Continued from last year, 2013 was characterized by worldwide efforts of reconstruction and consolidation from the slowdown. Most of the economies have been able to offset the recessionary trends through fiscal and monetary consolidation. Almost all geographies have continued on the same growth trajectory. The world output grew at 3% vis-à-vis 3.2% growth in 2012. Developed economies grew at 1.3% compared to 1.4% in 2012. USA grew at 1.9%; European Union grew at -0.3% compared to 0.2% in 2012. India grew at 4.4% from 4.7% while China continued its growth rate of 7.7% in 2013 from the previous year.

Real GDP growth rate (in %) in 2012 and 2013

Geographies	2013	2012
World	3.0	3.2
Advanced Economies	1.3	1.4
European Union	-0.3	0.2
Emerging and Developing Asia	6.5	6.7
United States	1.9	2.8
India	4.4	4.7
Germany	0.5	0.9
France	-	0.3
Italy	(1.9)	(2.4)
Spain	(1.2)	(1.6)
Japan	1.5	1.4
Canada	2.0	1.7
United Kingdom	1.8	0.3
China	7.7	7.7

(Source: IMF)

With an improvement in world trade volumes, exports and imports of advanced economies and emerging economies, the economic activity world over points to a better future in coming years.

IMF estimates that the bulk of demand for emerging economies will come from the advanced economies and this will translate into growth of these countries. The same can be observed from the performance of the two regions in the years 2012 and 2013.

World Trade Volume (goods and services)	2013	2012
Exports		
Advanced Economies	2.3	2.1
Emerging Market and Developing Economies	4.4	4.2
Imports		
Advanced Economies	1.4	1.1
Emerging Market and Developing Economies	5.6	5.8

(Source: IMF)

Also, the trend of consumer prices and oil and other fuel prices are also showing a downward trend, which will give boost to positive sentiments across the global economy.

Consumer Prices	2013	2012
Advanced Economies	1.4	2.0
Emerging Market and Developing Economies	5.8	6.0

(Source: IMF)

Commodity Prices (U.S. dollars)	2013	2012
Oil	(0.9)	1.0
Non-fuel (average based on world commodity export weights)	(1.2)	(10.0)

(Source: IMF)



Being a dominant part of above emerging economies, India has been marred by inflationary pressures and is still trying to cope with it. Additionally, currency depreciation since mid-2013 has been reinforcing the price rise even further. However, the outlook for the country is positive with IMF estimating GDP growth at 5.5% in 2014 in response to improving export competitiveness and infrastructural progress made by the country in recent past. Narrowing current account deficit also has contributed to the growth and is expected to go down even further. With government policies and investments supporting growth, there is optimism around positive development of the country.

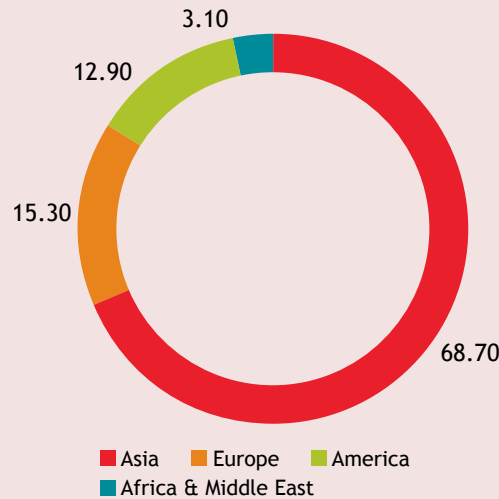
Ceramic Industry-Specific Environment

In CY2012, world tile production reached 11,166 million square metres, 5.4% up from previous year. Almost all parts of the world exhibited increase in production over previous year. Consumption of tiles also saw an upsurge in almost all countries barring Europe due to contraction in demand. Production in Europe however rose by almost 2% over CY2011.

With Asia reigning the production, China, Brazil and India were the top three producers and consumers in CY 2012. Asian countries also exported the majority of the flow with more than 50% of total exports followed by European Union. China, Spain and Italy were the major

exporters during the year accounting for 64% of exports overall.

World Production of Ceramic tiles in CY2012



(Source: Ceramic world review)

India's transformation from being the 5th largest producer of tiles in CY 2008 to 3rd largest in CY 2012 has been a result of innovation and capability enhancement. Indian ceramic industry has grown at a CAGR of 15% during 2008-12 as against 7% growth of the industry overall.

Indian exports have also outgrown its limited reach in countries-UAE, Saudi Arabia and Malaysia to other parts of the world covering Europe, Asia, America and Africa. The technology and product diversification in India

is competitive in the world next only to China.

At the end of CY 2012, the Indian tiles market is valued at ₹ 195 billion and in volume terms at 691 million square meters. Earlier, Gujarat used to be the hub of ceramic tile production with home to 70% of the total tile production in the country. The contribution has come down to 50% with more organized form of production participation from some big names in the industry. (Source: Ceramic world review)

Growth Drivers

The opportunity landscape for the industry is quite wide in India given the optimistic outlook put forward by organizations like IMF and World Bank.

- **Low per capita consumption** - Indian per capita consumption of tiles is as low as 0.50 square meters in comparison to over 2 square meters per person for countries like China, Brazil and Malaysia. This represents a huge opportunity for the ceramic industry to make its foothold firm in the country.
- **Urbanization** - The urbanization rate of India is growing continuously over the years, which is gradually translating into more demand for ceramic tiles. India's urbanization has been following trends of increase. A report by McKinsey Global Institute projects 40% of India's population would be urbanized by 2030. The report also asserts that India's population will witness an addition of 170

In CY2012, world tile production reached 11,166 million square metres, 5.4% up from previous year.

million workers between 2005 -2025. This would be better than countries like China, which will have more of older population residing in urban areas. The increased proportion of youth in population would help propel the demand. (Source: McKinsey)

- **Growth in real estate** - Urban household development, demand for *pucca* houses and diverting consumer preferences towards tiles is encouraging the demand for tiles to go up. There is a growth in demand for tiles owing to the water seepage problem that leads to mold formation in walls and ceilings.
- **Growth in Hotels/ Retail Chains/Hospitals** - There has been an upsurge in demand from the retail hypermarkets, hotels and hospitals for the ceramic floor and wall tiles. With a growth in these channels, there would be more demand for tiles.
- **Increase in Disposable Income** - There has been an increase in the disposable income of Indian population, which presents opportunity for the industry to flourish.
- **Organized market** - Gradually there has been a more organized market stemming up from the unorganized predominance previously. This is encouraging for better control purposes and price mechanisms to play. With more and more unorganized players becoming part of the organized players, the market segmentation is skewing



towards the creation of a centralized market, which can be brought under the purview of regulations. A proper government support and other infrastructural reforms could lead to a better play for Indian ceramic industry in years to come.

- **Consumer preferences** - A drift in consumer preference towards new technology vitrified, 3D and other types of advanced tiles also is a strong driver for growth. PWC report puts forward that Vitrified tiles, comprising nearly 50% of market have witnessed robust growth in the last five years due to their high durability and easy maintenance.
- **Limited usage of tiles** - In India, the tiles are still considered interiors product, while globally they are used equally outdoors.

Once this trend translates to Indian frontier, there can be a huge jump in the demand for tiles.

Somany Ceramics - Business Overview

In the light of the happenings around, Somany Ceramics continued on its path of growth with a sustained vision. During the year, the Company witnessed quite a few operational changes that were strategic and were timely undertaken to make use of the situation.

To capitalize on the low per capita consumption of tiles and the scope in the industry, the Company has been focusing on enhancing its volumes of tiles produced in proportion to its market presence. With more and more acquisitions and expansions of capacity through asset-light model, Somany Ceramics has come a long way.

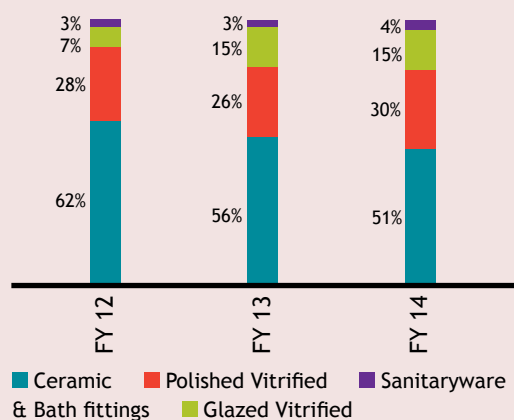
A lot of big names in hotels, retail chains, real estate and hospitals are in the list of customers for the Company. A boom in these industries is providing an impetus to growth for the Company at large. The Company has been pricing its products in terms of the value pyramid, which helps it capture market in each income segment. This way, the Company is able to capitalize on the increasing incomes and spends on tiles. With more and more urbanization and consumer preference increasing towards the use of tiles as part of

A drift in consumer preference towards new technology vitrified, 3D and other types of advanced tiles also is a strong driver for growth.

home décor, there is huge scope going forward.

The Company has significantly enhanced its marketing and selling efforts to accentuate its brand presence. During the year, the Company moved a step ahead to virtual marketing through an agreement with Google. It increased its overall cost of advertising and sales promotion by 29% during the year.

With the software installed at Somany Studios, these help enhance the brand patronage that Somany commands.



The Company came up this year, with “slip-shield” technology for its tiles, which is in addition to its VC Technology. This technology would be a revolution of a kind in tiles industry given its anti-slip resistance. At present, the patent has been filed for it, which is awaiting acceptance. Once granted, it would be a one of a kind revolution in tiles and would definitely lead to more trust amongst customers for brand Somany.

Financial Statement Analysis

The Company reported satisfactory growth of 19.3% in the gross turnover but the bottom line remained marginally lower in FY14.

Income

Gross sales increased by 19.3% from ₹ 1108.51 crores in FY13 to ₹ 1322.75 crores in FY14, owing to the following reasons:

- Increased sales from high-end products such as VC (a patented product), Duragres (Glazed Vitrified tiles) and digital tiles in particular.
- Substantial increase in the turnover of outsourced/traded goods(domestic) in general and glazed vitrified tiles & polished vitrified tiles in particular
- Wider distribution network (increased dealer, sub-dealer and retail showrooms)

Expenditure

Expenditure (including excise duty) increased from ₹ 1067.52 crores to ₹ 1286.30 crores in FY 14 (20.5%), which was higher than the percentage increase in sales, indicating a pressure on margins, owing to an increase in energy and input costs, rupee depreciation and a higher composition of traded/outsourced volumes.

Energy costs: Owing to drastic increase in energy cost during the current year also, energy cost as a percentage of production value increased from 25.2% in FY 13 to 29.5% in FY 14 despite conservation measures like use of alternative fuel (saw dust and coal), higher volume of power trading etc.

Material costs: Despite increase in prices of some materials during the year, material cost as a percentage of production value decreased from 32.0% in FY 13 to 30.5%. This is mainly due to higher value of production and continuous fine tuning of body and glaze materials composition.

Sources of Funds

A larger capital outlay (debt and accruals) in the business went up from ₹ 617.55 crores to ₹ 715.53 crores in FY 14, funded growing operations and larger traded/outsourced businesses.

Net worth: Net worth increased from ₹ 150.76 crores in FY 13 to ₹ 220.51 crores in FY 14, owing to issue of fresh capital and surplus plough back. Consequently, the networth proportion in the overall capital increased from 24.4% as on 31st March, 2013, to 30.8% as on 31st March, 2014.

Debt management: Long-term debt (including current maturity debts) reduced (net of fresh loans) from ₹ 82.21 crores in FY 13 to ₹ 79.12 crores in FY 14. Short-term borrowings reduced from ₹ 79.71 crores to ₹ 72.82 crores mainly due to better working capital management. Decrease in debts and increase in net worth resulting into substantial improvement in gearing from 1.17 to 0.77 and total outside liabilities-to-net worth strengthened from 2.92 to 2.12.

Current liabilities and provisions: Trade payables increased 8.5% from ₹ 161.18 crores in FY 13 to ₹ 174.91 crores in FY 14, mainly due to increase in vendors' bill discounting and creditors. Other current liabilities (excluding current maturity debts) increased to 6.6% from ₹ 42.54 crores in

Sources of Funds	FY 14	% of total	FY 13	% of total	Y-o-Y growth %
Equity capital	7.77	1.1	6.90	1.1	12.6
Reserves and surplus	212.74	29.7	143.86	23.3	47.9
External funds	467.52	65.3	440.61	71.4	6.1
Deferred tax liability	27.50	3.9	26.18	4.2	5.0
Total	715.53	100.0	617.55	100.0	15.9

FY 13 to ₹ 45.34 Crores in FY 14. Provisions increased to 27.6% from ₹ 58.36 Crores in FY 13 to ₹ 74.49 Crores in FY 14, owing to an increase in the provision for tax by ₹ 14.67 Crores.

Application of Funds

The capital employed was deployed to support and strengthen a larger business volume and capital expenditure.

Fixed Assets: The gross block including capital work in progress increased by ₹ 12.93 Crores after deductions/ adjustments of ₹ 21.57 Crores. After adjusting for depreciation, net fixed assets and capital WIP remained at ₹ 218.52 Crores.

Long-Term Investments: A sum of ₹ 12.47 Crores was invested towards acquiring equity stakes in three new companies. The Company acquired 26% each in two companies, namely Acer Granito Private Ltd. and Vicon Ceramic Private Ltd., and 51% in one company namely Amora Tiles Private Ltd., having aggregate capacity to produce 8.16 million sqm of tiles annually.

Long-Term Loans and Advances: The increase in long-term loans and advances is mainly on account of deposits aggregating to ₹ 9.67 Crores and share application money of ₹ 1.38 Crores to associates/ subsidiary companies with which the Company has tie up for procurement of finished goods.

Current Assets: Increase in current assets includes ₹ 37.10 crores being surplus funds from fresh equity infusion and interest thereon invested temporarily in bonds/ debt funds. Remaining increase of ₹26.99 Crores is commensurate with the increase in the volume of business; the increase in current assets has been explained under the following heads:

Inventories: Finished/traded goods inventories decreased from ₹ 87.37 Crores to ₹ 56.25 Crores in FY14, mainly due to better inventory management resulting into reduction in finished/traded goods cycle reducing from 30 days of net sales in FY 13 to 16 days of net sales in FY14. Raw material, store and spare inventories, among others, also reduced by 6.1% from ₹ 31.28 Crores in FY13 to ₹ 29.49 Crores in FY 14.



Application of Funds	FY 14	%of total	FY 13	%of total	Y-o-Y growth %
Net fixed assets including Capital WIP	218.52	30.5	208.91	33.8	4.6
Long term investments	21.67	3.1	9.20	1.5	135.5
Long term Loans & Advances	15.86	2.2	4.05	0.7	291.6
Current assets	459.48	64.2	395.39	64.0	16.2
Total	715.53	100.0	617.55	100.0	15.9

Trade Receivables: Trade receivables increased 22.2% from ₹ 174.35 Crores in FY13 to ₹ 213.02 Crores in FY14 owing to market conditions. However, the average collection period increased marginally from 57 days to 59 days during this period.

Short-term loans and advances: Loans and advances have increased by ₹ 15.92 Crores from ₹ 76.35 Crores to ₹ 88.89 crores mainly on account of advance tax payment of ₹ 13.47 Crores during the year.

Opportunities and Risks

With the urbanization trends escalating to the tier 2 and tier 3 cities, there is more and continued demand for tiles, sanitary ware and bathroom fittings. There is an opportunity to tap this market completely and a risk of competition. As a Company inclined towards becoming a one-stop-shop for home décor, Somany is already into the segment full-fledged with competition at its bay. Owing to an established brand, renowned quality and designs, the Company has been maintaining its leadership position. With VC technology and upcoming slip-shield technology, the Company is bettering its products vis-à-vis competition to differentiate.

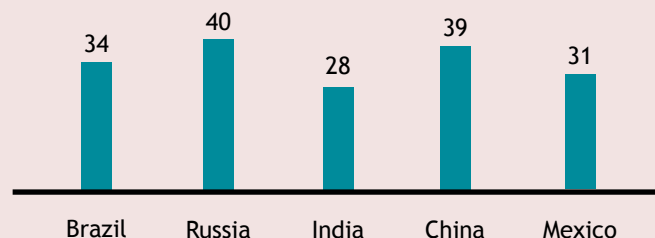
Now that the Morbi sector is out of strike with the Government's much needed reforms, organized market has now come at a level play with the unorganized market in terms of usage of common fuel. There is less ambiguity and competition. Also, more and more unorganized players are willingly looking to undergo an agreement with the established players to get their products marketed under established brands. So the risk from the unorganized sector in the form of competition is now diminishing and is rather presenting itself in the form of an opportunity to the Company for more agreements and joint ventures.

Increase in fuel prices has been posing a threat to business in terms of increased costs. To

mitigate this, the Company has entered into a long-term agreement with GAIL, IOC and GSPL. Also, there could be a risk of anti dumping duty not being levied on cheap imports from other countries like China. At present, the government of India and state of Gujarat where the majority of the tile production happens are supporting Indian manufacturers against dumping of tiles.

Increase in household disposable income also is presenting a huge opportunity to the Company. At present, India is among the world's youngest nations with a median age of 25 years as compared to 43 in Japan and 36 in the USA. It is also projected that by about 2025 India will have 25% of the world's total workforce. This all indicates a continued spurt of income. With a stable government and policy reforms, India is poised to have an increase in GDP and income in years to come. To this effect, there is a risk of this not materializing in absence of fiscal and monetary reforms. However, with a positive sentiment around the new government already formed in the country, there is more to look out for in terms of new policy changes.

Median Age of Population in 2025 in selected countries



(Source: IBEF and Deloitte Report)

The consumer today is more techno savvy and believes in accessing online brochures and reviews. This has been incorporated by the Company through more prominent social presence, contests, reviews etc. To have an edge in advanced advertising, the Company has adopted a virtual platform wherein the customer could get a virtual view of the floor or the roof after using the tiles from Somany. The Company thereby, takes care of competitive pressures and technological advances together.

The brand consciousness amongst consumers is also on a rise given the trust and quality that they entail. To enhance its brand image, the Company is investing more into its brand presence through more rigorous efforts exploring new platforms.

Today, the consumer's preference is tilted towards uniqueness and newness. With an industry so competitive and volatile, there is always a risk of losing on the grounds of stale and old designs. Your Company is taking care of such risks by performing due research and development on consumer behavior. It has also tied up with big design houses in Italy and Spain to have unique and appreciative designs.

Through more technologies like the already patented Veil-Craft and patent-applied Slip-Shield could provide more market and dominance to the Company. For this, the Company invests more into research and development to bring about more such advancement.

The Company faces foreign exchange fluctuation risks due to its imports and exports. To mitigate this risk, the Company tracks the foreign exchange movements on regular basis and takes necessary actions whenever feasible. It also deploys hedging in its transactions on case to case basis.

Human Resource

Somany believes in maintaining its human resource capital through various development and retention programs. There is a performance excellence program and performance clinic in place, which takes care of the developmental needs amongst the employees. The Company also has retention bonus, stay interviews in place to control attrition rates. There is a complete structure

of development followed for an employee by providing an open environment where the employee is provided with much needed encouragement to perform and enhance his productivity.

Internal Control & Systems

The Company has an audit committee in place, which monitors the financial reporting, internal control system and statutory compliances. It also oversees the risk management policies. There is proper supervision, internal auditing of the system on a regular basis to ensure smooth running of the operations.

Outlook

There is huge optimism around real estate and infrastructure development in the near future.

With Government's 12th Five- year plan and its deliverables, there has been a huge upsurge in the demand for urban houses. In the coming years, the outlook of the industry is quite bright with more opportunities from within the country and abroad.

The Company also is following an expansive strategy by bringing in more and more unorganized players under its ambit. With this the volume production capacity is enhanced and the selling and distribution activities are augmented with spare bandwidth. Going forward, the Company intends to partner with more such small players and enhance its outreach to domestic and global markets.

40 YEARS
LEADERSHIP IN DESIGN AND INNOVATION

SOMANY

What makes THE BETTER TILE?

**Better
DESIGNS**

that stay etched on the tile and the mind, forever.

**Better
Features**

that give you an unmatched experience every time you step on the tile.

**Better
Technology**

that sharpens quality with cutting-edge innovation.

**Better
Range**

that perfectly suits your unique tastes and diverse needs.

GLOSSTRA India's Glossiest Tiles | **VITRO** India's Most Reflective Tiles | **VC SHIELD** India's Most Abrasion-Resistant Tiles | **SLIP SHIELD** India's First Anti-Slip Tiles | **DURASTONE** India's Toughest Tiles | **DURAGRES** India's Most Durable Tiles

THE BETTER TILE

Directors' Report

Dear Members,

Yours Directors have pleasure in presenting the 46th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2014.

Financial Results

Particulars	(₹ in Lacs)	
	2013-14	2012-13
Gross Revenues from Operations	1,32,758	1,11,242
Net Revenues from Operations	1,25,779	1,05,015
Other income	274	176
Profit before Interest, depreciation and tax	8,438	8,705
Interest and finance charges (net)	1,830	1,998
Profit before depreciation	6,608	6,707
Less: Depreciation	2,206	2,040
Profit before tax	4,402	4,667
Less: Provision for tax (net)	1,599	1,508
Profit after tax	2,803	3,159
Add: Balance brought forward	10,441	8,086
Surplus available for appropriation	13,244	11,245
Appropriations:		
Proposed dividend on equity shares	583	414
Tax on proposed dividend	99	70
Transferred to general reserve	300	320
Balance carried to balance sheet	12,262	10,441
Total	13,244	11,245

Operating Results

Like last couple of years, this year also your company outperformed industry growth rate of about 14% by growing at 19.3% achieving a 5 years' CAGR of 23.4%. This performance was achieved despite the fact that the sales were hit as supplies of tiles remained suspended for almost a month between November and December 2013 due to strike by manufacturers in Morbi, Gujarat which included our associates as well as other outsource vendors.

In value terms the revenues increased from ₹1,11,242 Lacs in previous year to ₹1,32,758 Lacs in the current financial year. While the tiles volumes grew by 13.3%, the value growth accounted for around 6%. At the end of the year, your company had access to manufacturing capacity of about 44 MSM of tiles through own, associates and non-associates.

Despite satisfactory top line growth, the bottom line (PAT) remained marginally lower at ₹2802 Lacs mainly due to substantial increase in the fuel costs without corresponding increase in the selling prices due to competition.

Dividend

With a view to have a healthy pay-out ratio, your Directors recommend a dividend of 75% on equity shares at ₹1.50 per share (face value of ₹2/- each) for the year under review as against 60% at ₹1.20 per share in the previous year.

Increase In Paid Up Share Capital

During the year under review, the Company raised ₹49,99,99,990/- by way of issuance and allotment of 43,47,826 fully paid-up equity shares of ₹2/- each at a premium of ₹113/- per share on preferential allotment basis to M/s Latinia Ltd., Mauritius on 19th February 2014 under Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended up to date) and other applicable laws. Consequent upon this, the Paid-up Share Capital of the Company has increased from ₹689.94 lacs to ₹776.90 lacs. These equity shares are listed both at the Bombay Stock Exchange and National Stock Exchange and are subject to a mandatory lock in period till 23rd April 2015.

Corporate Highlights

Capacity Expansions

Your Company added further tile manufacturing capacities of 8.74 million square meters (MSM) during the year as follows:

- a) Acquired 26% equity stake in Vicon Ceramic Private Limited by investing ₹188.50 lacs adding 1.84 MSM capacity of paving tiles and 2.14 MSM of ceramic wall tiles annually from 25th March 2014.
- b) Acquired 26% stake in Acer Granito Private Limited by investing ₹511 lacs in its existing capacity of 2.04 MSM of polished vitrified tiles per annum.

- c) Acquired 51% stake in Amora Tiles Private Limited by investing ₹530.40 lacs adding 2.14 MSM of ceramic wall tiles capacity per annum from 7th March 2014.
- d) Commander Vitrified Private Ltd. an existing associate company expanded capacity to manufacture 2.72 MSM of polished vitrified tiles annually from 26th December 2013.

In addition to above, the Board of Directors of your company approved following proposals:

- a) Expansion of polished vitrified tiles capacity of Acer Granito Private Ltd., an associate company by 3.06 MSM annually by September 2014.
- b) Expansion of ceramic wall tiles capacity of Amora Tiles Private Ltd., a subsidiary company by 2.44 MSM annually by October 2014.
- c) Expansion of ceramic floor tiles capacity of own plant at Kadi (Gujarat) by 2.40 MSM annually by December 2014.
- d) To acquire up to 26% equity stake in Sonec Sanitaryware Private Ltd. for value up to ₹156 Lacs which has an existing capacity to produce about 3.00 lacs pieces of sanitary wares annually.
- e) To invest in one more company to ramp up capacity of polished vitrified tiles up to 5 MSM annually.

Capital Expenditure

Your Company continued to invest significantly in upgrading its plant and machinery and infrastructure. During the year under review the gross block increased by ₹4117.53 lacs (previous year ₹3018.32 lacs) mainly to achieve higher manufacturing efficiencies, replacement of old machineries, conservation and reduction in energy costs, IT and other business infrastructure.

Branding and Distribution

Your Company continued its sharp focus on brand and distribution. During the year your company participated in prestigious international and national exhibitions namely CERSAI at Bologna (Italy), MosBuildat Moscow (Russia) and ACETEC at Delhi, Mumbai, Bangalore and Kolkata. Your company also added 42 showrooms / display centers taking the total number of showrooms (Somany Exclusives, Somany Global and Somany Studios) to 223 as on March, 2014. Your Company also hosted first edition of ARCHITECTURE & DESIGN CONFERENCES, biggest architecture events in major towns of the country in collaboration with The Economic Times.

Recognitions and accreditations

Your Company was awarded with following special recognitions and accreditations during the year:

- a) ISO 14051:2011 for Kadi Unit being a model organization for adopting the MFCA (Material Flow Cost Accounting) practices.
- b) Selected for Corporate Technical Achievement Award by The American Ceramic Society (ACerS) for development of Somany Veil Craft (VC) Shield floor tiles.
- c) A research paper on “increasing the tile production of glazed vitrified tiles by using borate flux” published in the reputed international ceramic conference “Qualicer” at Spain - being first for any tile company from India.

Industrial Scenario And Outlook

Indian Tile Industry estimated to be more than ₹20,000 crores is fragmented with almost equal share between branded and unbranded players in value terms. The industry should continue to grow in double digits for next couple of years

As in the recent past, the branded players should continue to grow faster than the average industry growth and in turn continue to gain market share.

The volume growth will be driven mainly because of (i) rapid urbanization driving residential demand (ii) commercial and infrastructure development demand and (iii) replacement demand. The value growth will be driven mainly due to rising disposable incomes leading to consumer preferences shifting more towards branded and aspirational products.

The profit margins of the industry remained under pressure mainly due to adverse foreign exchange fluctuations resulting into substantial increase in cost of natural gas and inability on the part of industry to fully pass on this cost burden to end consumer due to severe competition.

However due to recent ban by Gujarat High Court on use of coal based gasifiers, all the unbranded players in Morbi had to shift to natural gas reducing their cost competitiveness viz a viz branded players. This may pave way for increase in overall sales realization for the industry.

Faced with cost pressures and lack of brand and distribution set up, more and more unbranded players are partnering with branded players producing exclusively for the latter.

Having already done five such Joint Ventures, your company would continue to look out for more such tie ups.

Human Resource

The aggregate number of employees and workers on your Company's rolls were 1678 at the end of current financial year. Your Company remains committed to its long term vision of being 'Most sought after tile and allied product brand in India and be the best employer in the tile industry'. Towards achieving this, your company is continuously working on increasing happiness quotient of its human resource by providing them opportunities to enrich their skills set through training and self-appraisals and also through various welfare activities. As always, Industrial Relations remained cordial throughout the year. Availability of skilled/semi-

skilled human resource and their retention at desired compensation levels however remained a challenge.

Public Deposits

Your Company has not accepted any fixed deposits and as such no amount of principal and interest was outstanding as on the date of balance sheet.

Subsidiary / Associate / Joint Venture Companies

M/s SR Continental Limited, a wholly-owned subsidiary company continued its business of manufacturing and selling of refractories, colours used in the ceramic industry and also business of outsourcing and selling of ceramic tiles.

M/s Somany Global Limited, another wholly-owned subsidiary company continued its operations of selling imported and other high-end tiles and sanitaryware through its three showrooms named 'SOMANY GLOBAL'.

M/s Amora Tiles Private Limited, a subsidiary company in which the Company acquired 51% equity stake during the year started manufacturing of ceramic wall tiles at its plant in Morbi, Gujarat from 7th March 2014.

The Annual Report does not contain the financial statement of our subsidiaries pursuant to circular no. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs. The Board of Directors hereby undertakes that the audited accounts and related information of subsidiary companies, where applicable, will be made available upon request. The said documents will also be available for inspection during business hours at registered office of the Company as well as at the registered office of the subsidiary Companies.

The statement required under Section 212 of the Companies Act 1956 in respect of the subsidiary companies is appended.

The two existing associates namely Vintage Tiles Private Ltd. and Commander Vitrified Private Ltd. in which your Company owns 26% equity stake continued its operations of producing polished and glazed vitrified tiles at satisfactory level.

In addition, your Company acquired 26% equity stake in two more companies namely Acer Granito Private Ltd. and Vicon Ceramic Private Ltd. the information about which is covered under the sub heading 'Capacity Expansion' under the main heading 'Corporate Highlights'.

There was no business activity in M/s Somany Keraben Private Limited, a 50:50 joint venture between your Company and M/s Keraben, Spain.

Auditors' Report

All the items on which the Auditors' have commented in their report are self-explanatory and suitably explained in the Notes to the Accounts.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956.

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- The Company has selected such accounting policies, applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Company has prepared the attached annual Statement of Accounts for the year ended 31st March, 2014 on a going concern basis.

Consolidated Financial Results

In accordance with the Accounting Standard AS-21 and other applicable Accounting Standards on Consolidated Financial Statements, your Directors have pleasure in attaching the

Consolidated Financial Statements which form part of the Annual Report and Accounts.

Directors

In accordance with the provisions of the Companies Act, 2013, Mr. G. L. Sultania, Non-executive & Non-independent Director of the Company, shall retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Mr. R. K. Daga, Mr. Salil Singhal, Dr. Y. K. Alagh, and Mr. Ravinder Nath the Independent Directors of the Company shall be re-appointed in the ensuing Annual General Meeting of the Company for the next 5 years. The Company has received notices under Section 160 of the Companies Act, 2013 from members signifying their intention to propose Mr. R. K. Daga, Mr. Salil Singhal, Dr. Y. K. Alagh and Mr. Ravinder Nath as candidates for the office of Independent Directors at the ensuing Annual General Meeting of the Company.

Mr. R. L. Gaggar, the Independent Director of the Company will retire at the ensuing Annual General Meeting and has expressed his unwillingness for re-appointment.

Mr. Siddharath Bindra, has been appointed as an Additional Director of the Company on 26th May, 2014 and he holds office until the date of the ensuing Annual General Meeting of the Company. The Company has received requisite notice in writing from a member proposing Mr. Siddharath Bindra for appointment as an Independent Director of the Company at the ensuing Annual General Meeting of the Company.

Mr. Narayan Anand was appointed as an Additional Director of the Company on 19th February, 2014, in terms of agreement with Creador II LLC, for allotment of 43,47,826 equity shares of the Company to their associate M/s Latinia Ltd. on preferential allotment basis, who will hold such office till the ensuing Annual General Meeting of the Company. The Company has received requisite notice in writing from a member proposing Mr. Narayan Anand for appointment, as a Director liable to retire by rotation, at the ensuing Annual General Meeting of the Company.

AUDITORS

M/s Lodha & Company, Chartered Accountants, statutory auditors of your Company retire at the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their re-appointment, if made, would be as per the provisions under Section 141 of Companies Act, 2013.

Corporate Governance

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

Management Discussion and Analysis

Management Discussion and Analysis report forms part of the Annual Report.

Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo

The information as required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed forming part of this report.

Particulars of Employees

A statement giving the particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975 is annexed forming part of this report.

Acknowledgements

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

For and on behalf of the Board

Shreekant Somany

Place: New Delhi

Chairman and

Dated: The 26th day of May, 2014 Managing Director

Annexure to the Directors' Report

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of Directors' Report for the year ended 31st March, 2014.

A. Conservation of energy

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

(a) Energy conservation measures taken:

- I. Installed two saw dust / coal based FBCs resulting into substantial saving in fuel costs in Spray Dryers.
- II. Installed two UPS Systems of 1800 KVA each to ensure uninterrupted supply of power to the plants and also reduction in consumption of RLNG in power generators.
- III. Installed Variable Frequency Drives in two klins resulting into saving in power consumption.
- IV. Power trading activity continues to result into reduction in frequent power interruptions and usage of gas/diesel-based captive generation.
- V. Saving electricity units substantially by using energy efficient motors, LED lighting, low loss capacitors.

(b) Additional investments and proposals if any being implemented for reduction of consumption of energy:

- I. Installed in April 2014, coal based Chain Stove to result into substantial savings in fuel cost in Spray Dryer.
- II. To install heat recovery systems to further reduce overall consumption of RLNG.

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

The measures indicated as per (a) and (b) above are resulting in substantial reduction in energy consumption/ costs.

(d) Total energy consumption and energy consumption per unit of production in respect of specified industries:

The Company is not covered under the list of specified industries.

B. Technology Absorption

1. Research and Development

(a) The Company carried out following major R&D activities during the year:

- I. Launched friction resistant tiles under the brand name 'Slip Shield' which is certified to be in R11 Category (Ramp Test) by CRC Malaysia. The patent for the same has already been applied for in 2013.
- II. Continuous fine tuning of body and glaze materials composition for better productivity and cost reduction.

III. Research paper published in Qualicer, international conference on research in ceramic tiles in Castellon, Spain, a first for any ceramic tiles company from India.

(b) Benefits derived as a result of above R&D Development of value-added products, resulting in better sales

realisations and reduced manufacturing costs and wastages.

(c) Further plans and expenditure of R&D

- I. To introduce large number of designs using digital printing technology to further improve basket of value-added tiles.
- II. To brace new technologies related to products, designs and processes being introduced in the ceramic tile industry globally.

(d) Expenditure on R&D

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

2. Technology absorption, adaptation and innovation

This continues to be an ongoing process and has been resulting in improved sales realizations, productivity and quality on one hand and saving in energy and materials consumption costs on the other.

C. Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings ₹2860 lacs

Foreign Exchange Outgo ₹3418 lacs

For and on behalf of the Board

Shreekant Somany

Place: New Delhi

Chairman and

Dated: The 26th day of May, 2014

Managing Director

Annexure to the Directors' Report

Information as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2014.

Employed for the financial year and in receipt of remuneration at a rate which was not less than ₹60 lacs per annum.

Particulars	Mr. Shreekant Somany	Mr. Abhishek Somany	Mr. G.G.Trivedi	Mr. Tapan Jena
Age	66 years	42 years	68 years	53 years
Designation	Chairman & Managing Director	Joint Managing Director	Chief Executive Officer	President-Sales & Marketing
Nature of Duties	Overall Management of the Company and Policy Decisions	Management of company operations	Management of Plant Operations	Management of Sales and Marketing
Remuneration Received	₹256.29 Lacs	₹256.29 Lacs	₹100.13 Lacs	₹69.48 Lacs
Qualifications	B.Sc.	BBA (UK)	M. Sc. , AICWA, LLB	PG Diploma in Business Management
Experience	43 years	18 years	43 years	27 years
Date of Commencement of Employment	1st September, 1992	1st July, 1996	1st May, 1987	10th October, 2005
Name of last Employment	Hindustan Sanitary ware & Industries Ltd.	-	LMP Precision Engineering Ltd.	Regency Ceramics Ltd.
Position Held	President	-	President	Vice President-Sales & Marketing
Percentage of Equity Shares of the Company held	0.42%	0.22%	-	-

Notes:

- I. The gross remuneration includes salary, leave encashment, reimbursement of medical expenses and the Company's contribution to provident fund besides value of other perquisites calculated in accordance with Income Tax Act / Rules.
- II. Appointment of Mr. Shreekant Somany, Chairman and Managing Director and Mr. Abhishek Somany, Joint Managing Director are contractual.
- III. Mr. Shreekant Somany, Chairman and Managing Director is father of Mr. Abhishek Somany, Joint Managing Director of the Company, hence they are related to each other.

For and on behalf of the Board

Place : New Delhi

Dated : The 26th day of May, 2014

Shreekant Somany

Chairman and Managing Director

Statement pursuant to Section 212 of the Companies Act, 1956

Name of the Subsidiary companies	SR Continental Ltd.	Somany Global Ltd.	Amora Tiles Private Ltd.
(A) Financial Year of the subsidiary Company	31st March, 2014	31st March, 2014	31st March, 2014
(B) Shares of the subsidiary held by Somany Ceramics Ltd. on the above date			
(a) Number and face value	1,85,000 equity shares of ₹10/- each fully paid up	5,00,000 equity shares of ₹10/- each fully paid up	53,04,000 equity shares of ₹10/- each fully paid up
(b) Extent of holding (together with nominees)	100%	100%	51%
(C) The net aggregate of profit / (loss) of the subsidiary Company so far as it concerns the members of Somany Ceramics Ltd.			
(a) Not dealt in the accounts of Somany Ceramics Ltd. for the year ended 31st March, 2014 amounted to:			
I. For the subsidiary financial year ended as in (A) above	(₹38.46 Lacs)	₹22.09 Lacs	(₹132.95 Lacs)
II. For the previous financial years of the subsidiary since it became the Holding Company's subsidiary	₹236.28 Lacs	(₹19.33 Lacs)	-
(b) Dealt with in the accounts of Somany Ceramics Ltd. for the year ended 31st March, 2014 amounted to:			
I. For the subsidiary financial year ended as in (A) above	-	-	-
II. For the previous financial years of the subsidiary since it became the Holding Company's subsidiary	-	-	-

Ambrish Julka
AGM (Legal) & Company Secretary

Abhishek Somany
Joint Managing Director

Shreekant Somany
Chairman & Managing Director

Place : New Delhi

Dated : The 26th day of May, 2014

Corporate Governance Report

Company's philosophy on Corporate Governance

Good Corporate Governance Practices are strength of any successful enterprise. The Company's visionary founder had laid the foundation for good governance and made it an integral part of the Company's Corporate Governance Philosophy which has characteristics of fairness, accountability, disclosure and transparency. This has enabled the Company to achieve sustainable growth on its journey to continue success, thereby meeting the expectations of the stakeholders. The Company places emphasis on business ethics and responsible conduct and to disclosures of operating performance and other key events on timely basis to its shareholders and the stakeholders. The Company views their role as trustees of its shareholders, stakeholders and society at large.

BOARD OF DIRECTORS

The Board comprises of nine Directors as of 31st March, 2014. None of the non-executive directors of the Company has any pecuniary relationship or transaction with the Company. The non-executive directors of the Company are highly respected and accomplished professionals in the corporate and academic world. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement.

The details of the Directors by category, attendance and other Directorship(s) including Membership(s)/Chairmanship(s) of Board Committees and number of shares held are:

Director	Category	No. of Board Meeting held	No. of Board Meeting attended	Attended last AGM	Number of Directorship(s) in other companies (\$)	@ No. of Committee positions held in companies		No. of shares held
						Chairman	Member	
Mr. Shreekant Somany	P	7	5	Yes	5	-	-	1,61,385
Mr. Abhishek Somany	P	7	5	Yes	2	-	-	85,500
Mr. R. K. Daga	I	7	6	Yes	2	3	1	5,000
Mr. R. L. Gaggar	I	7	3	No	11	-	10	-
Mr. G. L. Sultania	N	7	6	No	8	2	3	1,250
Mr. Satil Singhal	I	7	2	No	5	-	3	-
Mr. Ravinder Nath	I	7	3	No	3	1	1	-
Mr. Sandeep Kumar*	I	7	4	No	-	-	-	-
Dr. Y. K. Alagh	I	7	3	No	2	1	6	-
Mr. Narayan Anand**	N	7	0	No	-	-	-	-

Category: P=Promoter, I=Independent, N= Non-executive & Non-independent

* Mr. Sandeep Kumar, Nominee Director of Exim Bank ceased to be the Director of the Company w.e.f. 14th January, 2014.

** Mr. Narayan Anand was appointed as Nominee Director of M/s Latinia Ltd. in the Board meeting held on 19th February, 2014. M/s Latinia Ltd. is a Mauritius based Private Equity firm to whom the Company has allotted 43,47,826 equity shares on preferential allotment basis on 19th February, 2014.

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

@ Includes the membership/chairmanship in Audit Committee and Shareholders'/Investors' Grievance Committee only of Public Limited Companies.

Board functions

Apart from review and consideration of matters referred to under Clause 49 of the Listing Agreement, the Board also undertakes the following:

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

Meeting of the Board of Directors

There were Seven Board meetings during the year 2013-14 i.e. on 29th April, 21st May, 23rd July, 24th October, in 2013 and on 13th January, 13th February, 19th February, in 2014.

Code of Conduct

The Board of Directors has adopted a Code of Conduct for its members and senior personnel of the Company in terms of Clause 49 of the Listing Agreement. A declaration to this effect, duly signed by Chief Executive Officer was placed before the Board and is enclosed forming part of this report. The code of conduct framed by the Company is posted on the Company's website.

COMMITTEES OF THE BOARD

Audit Committee

Composition and Terms of Reference

The Audit Committee comprises of five members and all are independent and non-executive directors. Mr. R.K. Daga is the Chairman of the Committee. The other members of the Committee are Mr. R. L. Gaggar, Mr. Salil Singhal, Mr. G. L. Sultania and Dr. Y.K. Alagh. All members of the Audit Committee are financially literate. The Audit Committee members are accomplished professionals from the corporate and academic world. The Committee meets the requirements of provisions under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement in regard to constitution of this Committee. The Company Secretary of the Company acts as the Secretary to the

Committee. The minutes of the each Audit Committee Meeting are placed and discussed in the next meeting of the Board. The terms of reference of the Audit Committee cover the areas as contemplated under Clause 49 of the Listing Agreement and Section 292 of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors.

Terms of reference

Brief description of the terms of reference is:

- Effective supervision of the financial reporting process, ensuring financial and accounting controls and compliance with the policies of the Company.
- Periodical interaction with the statutory and internal auditors to ascertain the quality and veracity of the Company's transactions.
- Review of adequacy and effectiveness of Internal Audit Function and the Internal Control System.
- Overall direction on the risk management policies.
- Review of the annual and quarterly financial statements with management before submission to the Board.
- Review related party transactions.
- Review of qualifications in the audit report, if any.

Invitees to the Audit Committee

Both the statutory and internal auditors of the Company are regular invitees to the Audit Committee meetings to brief the members. The meeting of the Audit Committee is generally attended by the Chairman & Managing Director, Chief Executive Officer, President (Sales & Marketing), Vice-President (Finance) & other departmental heads.

Frequency of meetings

During the year 2013-14 five Audit Committee meetings were held on 29th April, 21st May, 23rd July and 24th October, in 2013 and on 13th February in 2014.

The maximum gap between any two meetings was less than four months.

The attendance of the Audit Committee Meetings is given below:

Name of Member Director	No. of Meetings attended
Mr. R. K. Daga (Chairman)	5
Mr. R. L. Gaggar (Member)	2
Mr. G. L. Sultania (Member)	5
Mr. Salil Singhal (Member)	2
Dr. Y. K. Alagh (Member)	3

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

Share Transfer Committee

The Company has a Share Transfer Committee comprising of Mr. G.L. Sultania (who chairs the meeting), Mr. N. Goenka and Mr. S. Banerjee. The Committee met twelve times during the year under review. The Board has delegated the power of Share Transfer to the Company's Registrar & Share Transfer Agent, who process the transfers, in respect of physical and shares under Demat. During the year under review, total of 13,505 shares were transferred and dispatched within 15 days of receipt in respect of shares, documents for which found valid in all respects. There were no pending transfers as on 31st March, 2014.

Shareholders' / Investors' Grievance Committee

The Committee was constituted to oversee redressal of shareholders' / Investors' grievances relating to transfers, transmissions, issue of duplicate share certificate(s) and all other matters concerning shareholders' complaints. Mr. R. K. Daga the Non-Executive Independent Director is heading the Committee and other members of the Committee are Mr. R. L. Gaggar, Non-Executive Independent Director and Mr. G. L. Sultania, Non-Executive Director of the Company. Mr. Ambrish Julka, Assistant General Manager (Legal) and Company Secretary is the compliance officer. Three meetings of the Committee were held on 2nd May and 25th September in the year 2013 and 6th January in 2014. During the year 17 complaints were received and resolved. There were no complaints of Shareholders pending as on 31st March, 2014.

Nomination and Remuneration Committee

The Remuneration Committee was formed inter alia to deal with all elements of remuneration for whole-time directors, service contracts, severance fee, notice period etc. Mr. R. K. Daga, the Non-Executive Independent Director is the Chairman of the Committee and the other members of the Committee are Mr. R. L. Gaggar, Non-Executive Independent Director and Mr. G. L. Sultania, Non-Executive Director of the Company. Two meetings of the Nomination and Remuneration Committee were held during the year 2013-14 i.e on 29th April, 2013 and 9th October, 2013.

Remuneration to Directors

Director	Salary & perquisites (₹)	Commission for 2012-13 (₹)	Sitting Fees (₹)	Total (₹)
Mr. Shreekant Somany*	1,58,26,974**	1,26,19,988	--*	2,84,46,962
Mr. Abhishek Somany*	1,39,18,374**	1,43,27,263	--*	2,82,45,637
Mr. R. K. Daga	--	5,00,000	1,40,000	6,40,000
Mr. R. L. Gaggar	--	5,00,000	80,000	5,80,000
Mr. G. L. Sultania	--	5,00,000	1,40,000	6,40,000
Mr. Salil Singhal	--	5,00,000	40,000	5,40,000
Mr. Ravinder Nath	--	5,00,000	45,000	5,45,000
Dr. Y. K. Alagh	--	5,00,000	60,000	5,60,000
Mr. Sandeep Kumar***	--	-	60,000	60,000
Mr. Narayan Anand****	--	-	-	-

* Whole time Directors are not entitled for sitting fee.

** The remuneration includes Company's contribution to Provident Fund and leave encashment and the same is being paid in accordance with Schedule XIII of the Companies Act, 1956. The value of perquisites being calculated in accordance with the rules framed under the Income Tax Act, 1961.

The appointments of Mr. Shreekant Somany, Chairman & Managing Director and Mr. Abhishek Somany, Joint Managing Director are contractual for a period of three years which was renewed with effect from 1st September, 2011 in respect of Chairman & Managing Director and in respect of Joint Managing Director, with effect from 1st June, 2012.

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

Apart from sitting fees, the Non-Executive directors are entitled for commission @1% of net profits of the Company in terms of resolution passed by the Shareholders of the Company at their Annual General Meeting held on 2nd September, 2013 subject to maximum of ₹5,00,000/- to each Non-Executive Director of the Company.

*** Mr. Sandeep Kumar, Nominee Director of Exim Bank ceased to be the Director of the Company w.e.f. 14th January, 2014.

**** Mr. Narayan Anand was appointed as Nominee Director of M/s Latinia Ltd. w.e.f. 19th February, 2014, liable to retire by rotation.



GENERAL BODY MEETINGS

The details of general body meeting conducted in the past 3 years:

Year	Date	Time	Venue
2013-14	10.02.2014	10.00 A.M.	Extra- Ordinary General Meeting, held at Lakshmiapat Singhanian Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110 016
2013-14	02.09.2013	10.30 A.M.	45th Annual General Meeting, held at Lakshmiapat Singhanian Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110 016
2012-13	13.08.2012	11.00 A.M.	44th Annual General Meeting held at H.L Somany Hall, ASSOCHAM, 47 Prithvi Raj Road, New Delhi - 110011
2011-12	11.08.2011	11.00 A.M.	43rd Annual General Meeting held at H.L Somany Hall, ASSOCHAM, 47 Prithvi Raj Road, New Delhi - 110011

Special Resolutions passed in the previous three AGMs/EOGMs:

Date of Meeting held	AGM/EOGM	Subject matter of the resolution
10th February, 2014	EOGM	Issue and allotment of equity shares on Preferential Basis
2nd September, 2013	AGM	Remuneration by way of commission to Non-Executive Directors
13th August, 2012	AGM	NIL

No special resolution was put through postal ballot last year. As of now no special resolution is proposed to be conducted through postal ballot at the ensuing Annual General Meeting.

DISCLOSURES

There were no transactions of material nature between the Company and its Directors or management and their relatives or promoters that may have a potential conflict with the interests of the Company. Related party transactions are disclosed in the Notes to Accounts.

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

The Company complies with all mandatory requirements of Clause 49 of the Listing Agreement and one non mandatory requirement viz. Remuneration Committee of Directors.

MEANS OF COMMUNICATION

The annual, half yearly and quarterly results of the Company are generally published in Economic Times (Delhi, Mumbai), (English edition), Economic Times (Mumbai, Gujarati edition) & Navbharat Times (Hindi edition) newspapers at New Delhi. The results of the Company are submitted to the Stock Exchanges in accordance with the Listing Agreements and posted on its website: www.somanyceramics.com. During the year the Company has not made any presentation to Institutional investors or analysts.

“Management Discussion and Analysis” is a part of the Annual Report.

GENERAL SHAREHOLDER'S INFORMATION

Registered Office

82/19, Bhakerwara Road, Mundka
New Delhi - 110 041
Phone : 011-28341085, Fax : 011-28341085
Email : cs@somanytiles.co.in

Plant locations

- V&P Kassar, Bahadurgarh,
Distt. Jhajjar, Haryana - 124507
Phone: 01276-241002/3/4/5
Fax : 01276-241006/11/20
Email: cs@somanytiles.co.in
- GIDC Industrial Area,
Distt. Mehsana, Kadi, Gujarat - 382715
Ph : 02764-242153/54, Fax : 02764-263011

Date and Venue of Annual General Meeting

Annual General Meeting of the Company will be held on, Thursday, 4th September, 2014 at Lakshmiapat Singhanian Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016

Financial Calendar: 1st April to 31st March

Financial Reporting for 2014-2015 is as follows:

First Quarter	Third week of July, 2014
Second Quarter	Fourth week of October, 2014
Third Quarter	Fourth week of January, 2015
Fourth Quarter	Fourth week of May, 2015

Book Closure Date

19th August, 2014 to 4th September, 2014 (both days inclusive)

Dividend

The Board of Directors of Company has recommended a dividend of ₹1.50 per share on equity shares of ₹2/-each for the year ended 31st March, 2014 subject to approval of the Shareholders at the ensuing Annual General Meeting.

Listing on Stock Exchange:

Shares of the Company are listed at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company has paid annual listing fees to both the Exchanges for the financial year 2014-2015.

Stock Code:

NSE	SOMANYCERA
BSE	531548
Demat ISIN Number for NSDL and CDSL	INE 355A01028

Market Price Data:

Month	National Stock Exchange of India Limited*			BSE Limited*		
	High ₹	Low ₹	No. of Shares Traded	High ₹	Low ₹	No. of Shares Traded
Apr-13	77.00	67.00	68,823	77.45	67.80	43,154
May-13	95.00	75.00	1,30,013	92.00	76.80	88,349
Jun-13	82.75	64.55	79,516	84.00	66.00	55,934
Jul-13	85.00	65.40	1,69,237	86.65	65.30	90,145
Aug-13	74.85	65.55	92,017	75.80	66.00	42,159
Sep-13	83.95	69.00	93,180	84.90	69.65	64,464
Oct-13	92.85	77.50	1,60,803	92.50	78.80	1,00,457
Nov-13	111.55	83.00	2,75,374	112.00	75.20	2,06,508
Dec-13	119.00	91.40	7,25,615	119.30	89.00	3,98,221
Jan-14	155.90	110.00	26,31,598	155.50	105.15	8,07,515
Feb-14	151.00	118.90	5,54,058	150.70	122.45	1,92,864
Mar-14	184.80	130.15	11,13,526	183.80	130.15	3,61,711

Source : Official website of BSE and NSE

Registrar & Share Transfer Agent

(Both for physical and demat segment)

Maheshwari Datamatics Pvt. Ltd.

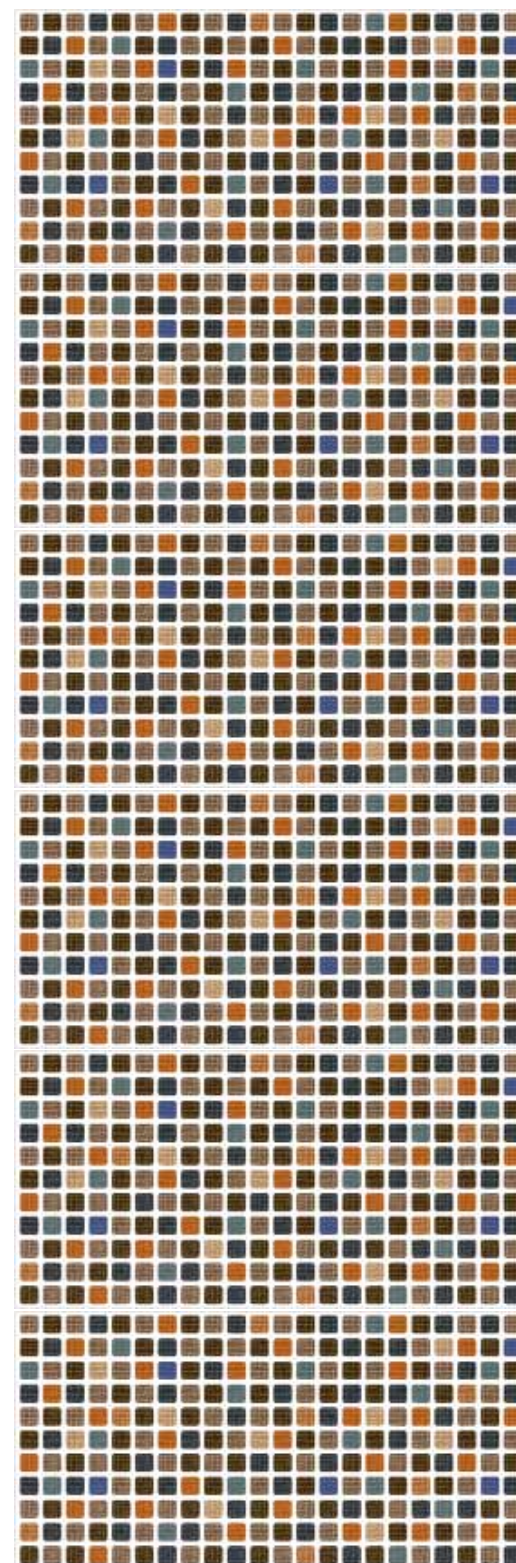
6, Mangoe Lane, Kolkata - 700 001, Phone No. 033-2243 5809/2243 5029, Fax No. 033-2248 4787

E-mail: mdpl@cal.vsnl.net.in

Share Transfer system

The Company's shares are traded on stock exchanges in compulsory demat mode. Shares in physical mode lodged with the Company with valid documents are transferred and share certificates are returned in physical form within the time prescribed under the Listing Agreement.

Your Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.



Distribution of Shareholding as on 31st March, 2014

No. of Equity Shares	Number of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1- 500	2,585	64.56	4,16,626	1.07
501-1000	653	16.31	5,21,106	1.34
1001-2000	276	6.89	4,32,566	1.11
2001-3000	110	2.75	2,89,090	0.75
3001-4000	73	1.82	2,63,556	0.68
4001-5000	78	1.95	3,66,336	0.94
5001-10000	102	2.55	7,62,512	1.96
10001 and above	127	3.17	3,57,93,034	92.15
Total	4004	100.00	3,88,44,826	100.00

Categories of Shareholding as on 31st March, 2014

Category	Number of Shares	Percent
Indian Promoters	2,18,39,360	56.22
Mutual Funds & UTI	6,78,328	1.75
Banks, Financial Institutions, Insurance Companies	10,030	0.02
Foreign Institutional Investors	20,77,876	5.35
Corporate Bodies	12,73,569	3.28
Indian Public	72,75,612	18.73
NRIs/OCBs	56,64,896	14.58
Trusts	11,300	0.03
Clearing Member	13,855	0.04
Total	3,88,44,826	100.00

Dematerialisation of shares

The Company's equity shares enjoy the DEMAT facilities with NSDL as well as CDSL. Total 3,79,74,981 Equity shares representing 97.76% of the paid-up capital of the Company as on 31st March, 2014 was in demat form.

Contact for Clarification on Financial Statements: Individuals may contact

Mr. R.K. Lakhotia, Vice President (Finance) at:
Kassar - 124507, Bahadurgarh
Distt. Jhajjar, Haryana, India
Phone : 01276-241001 -05
Fax : 01276-241006/11
Email : fin@somanytiles.co.in

Shareholder's Enquiries: Individual may contact

Mr. Shyamalendu Banerjee at:
2, Red Cross Place, Kolkata - 700 001
Phone : 033-22487406/7
Fax : 033-22487045
Email : sclinvestors@somanytiles.co.in

Pursuant to the listing agreement with Stock Exchanges, the Company has created email-id for the redressal of investor grievances viz. sclinvestors@somanytiles.co.in.



Declaration on compliance with the Code of Conduct:

The Company has framed a specific Code of Conduct for the members of the Board of Directors and Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges. All the members of the Board and Senior Management Personnel have affirmed due observation of the said Code of Conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2014.

G.G.Trivedi
Chief Executive Officer
Place : New Delhi
Date : The 26th day of May, 2014

As required under Clause 49 of the Listing Agreement, the particulars of the Directors seeking appointment or re-appointment

Mr. Shreekant Somany

Aged about 66 years, Mr. Somany is a graduate and holds Bachelor degree in Science. He has over three decades of rich experience in Ceramics Tiles, Sanitaryware and Glass industry. He is on the Board of the Company since 1st September, 1992 and has taken many innovative steps to make the organization a world class Company in ceramic tiles. He played a significant role in the invention of the company's patented product VC (Viel craft) Shield, which is a High Abrasion Resistant Glaze Tile. He contributes and holds prestigious offices in social and intellectual organizations. He was a member of the CII Delegation to Russia led by Union Commerce Minister in September 2009. The details of his directorship and membership in other Companies are given below:

Sl. no.	Name of the Public Limited Company in which he is a Director	Chairman/ Director	Position held in		
			Audit Committee	Remuneration Committee	Shareholders'/ Investors' Grievance Committee
1.	Somany Ceramics Ltd.	Chairman and Managing Director	-	-	-
2.	Somany Global Ltd.	Director	-	-	-
3.	SR Continental Ltd.	Director	-	-	-
4.	Shree Cement Ltd.	Director	-	Member	-
5.	Cosmo Ferrites Ltd.	Director	-	Member	-
6.	Sarvottam Vanijya Ltd.	Director	-	-	-

Mr. Abhishek Somany

Aged about 42 years Mr. Somany, has done his Bachelor of Business Administration from Richmond Univeristy, U.K. with specialization in finance and marketing. He has played a major role in the growth of the Company. He has provided dynamic leadership in all the areas related to Company's business in general and marketing and brand building in particular. The details of his directorship and membership in other Companies are given below:

Sl. no.	Name of the Public Limited Company in which he is a Director	Chairman/ Director	Position held in		
			Audit Committee	Remuneration Committee	Shareholders'/ Investors' Grievance Committee
1.	Somany Ceramics Ltd.	Joint Managing Director	-	-	-
2.	Sarvottam Vanijya Ltd.	Director	-	-	-
3.	Somany Global Ltd.	Director	-	-	-

Mr. G. L. Sultania

Aged about 69 years, Mr. Sultania is B.Com, FCA and FCS. He has served as an Executive Director and Secretary of HSIL Limited. He possesses vast knowledge and experience in the field of financial restructuring, corporate laws and legal compliances. He is a member of Capital Market Standing Committee of MCC Chamber of Commerce & Industry, Kolkata.

Sl. no.	Name of the Public Limited Company in which he is a Director	Chairman/ Director	Position held in		
			Audit Committee	Remuneration Committee	Shareholders'/ Investors' Grievance Committee
1.	HSIL Ltd.	Director	-	-	Member
2.	Somany Ceramics Ltd.	Director	Member	Member	Member
3.	SR Continental Ltd.	Director	-	-	-
4.	The United Provinces Sugar Co. Ltd.	Director	-	-	-
5.	SKP Securities Ltd.	Director	Chairman	Member	Chairman
6.	Paco Exports Ltd.	Director	-	-	-
7.	Bhilwara Holdings Ltd.	Director	-	-	-
8.	Sarvottam Vanijya Ltd.	Director	-	-	-
9.	Somany Global Ltd.	Director	-	-	-

Mr. Siddharath Bindra

Aged about 39 years, Mr. Bindra is Masters in Commerce from Sydenham College, Mumbai. He is Managing Director of Biba Apparels Private Limited. He possesses vast knowledge and experience in the field of Textile and Apparel Industry.

Sl. no.	Name of the Public Limited Company in which he is a Director	Chairman/ Director	Position held in		
			Audit Committee	Remuneration Committee	Shareholders' / Investors' Grievance Committee
1	Somany Ceramics Ltd.	Director	-	-	-

Mr. Narayan Anand

Aged about 50, Mr. Anand is MBA from IIM, Bangalore and graduated with honors in Mechanical Engineering from the National Institute of Technology, Jaipur. He is one of the Director in Creador Advisors India Pvt. Ltd. He spent the last 17 years working in Investment Banking where he helped mid-market and large corporates raise equity and debt capital in India. Most recently, he was a partner at Veda, a boutique investment bank where he was responsible for mergers and acquisitions, sponsor coverage of private equity firms and raising structured debt for a number of mid-market corporates. Anand also spent 12 years as Vice-President, Investment Banking at IL&FS where he mobilized funds for companies across India. In the earlier part of his career, Anand held various operational roles at Zuari Agrochemicals and at Eicher Motors.

Sl. no.	Name of the Public Limited Company in which he is a Director	Chairman/ Director	Position held in		
			Audit Committee	Remuneration Committee	Shareholders' / Investors' Grievance Committee
1	Somany Ceramics Ltd.	Director	-	-	-

Auditors' Certificate

We have audited the compliance of conditions of Corporate Governance procedure implemented by Somany Ceramics Limited for the year ended on 31st March, 2014 as stipulated in Clause 49 of the listing agreement of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an

expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with the Stock Exchanges have been complied

with in all material respect by the Company and that no investor grievance(s) is/are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' / Investors' Grievance Committee.

For **LODHA & CO.**
Chartered Accountants

N.K. LODHA
Partner

Place : New Delhi
Date : The 26th day of May, 2014 M.No.85155

Standalone Financial Statements

Independent Auditors' Report

Report on the financial statements

We have audited the accompanying financial statements of Somany Ceramics Limited, which comprise the balance sheet as at 31st March 2014, and the statement of the profit and loss and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's

internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and best to our information and according to the explanations given to us, the financial statements, give the information required by Act in the manner so require and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the balance sheet, of the state of the affairs of the company as at 31st March 2014,
- b. In case of the statement of the profit and loss, of the profit for the year ended on that date, and
- c. In case of the cash flow statement, of the cash flows for the year ended on that date.

Report on other legal and the regulatory requirements:

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give the Annexure a statement on the, manners specified in the paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have 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 appears from our examination of those books;

- c. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e. On the basis of the written representations received from the Directors and taken on records by the Board of Directors, we

report that none of the directors of the Company is disqualified as on 31st March 2014 from being appointed as a Director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **LODHA & CO.,**
Chartered Accountants
Firm Registration Number: 301051E

N.K. LODHA
(Partner)

Place : New Delhi

Date : The 26th day of May, 2014

Membership No: 85155

Annexure referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except in case of certain locations where records are in process of updation / compilation.
 - (b) As per the information and explanations given to us, certain fixed assets have been physically verified by the management according to a regular programme of periodic verification in a phased manner which in our opinion is reasonable having regard to the size of the company and nature of fixed assets. The discrepancies noticed on such physical verification have been dealt within the books of accounts.
 - (c) As per records and information and explanation given to us, no substantial part of fixed assets has been disposed off during the year.
2. (a) As per the information and explanations given to us, the inventories (except stocks- in- transit which have been verified based on subsequent receipt/ reconciliation) have been physically verified by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory (in respect of process stock records are updated after physical verification). The discrepancies noticed on such physical verification of inventory as compared to book records were not material which have been properly dealt with.
3. (a) As informed to us, the Company has neither granted nor taken any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Hence clauses (b) to (g) are not applicable. Accordingly we are not able to offer any comment.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that certain items purchased/sold are of special nature for which, as explained, suitable alternatives sources do not exist for obtaining comparative quotations, taking in to consideration the quality, usage and such other factors, there are adequate internal control systems commensurate with the size of the company and nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. Further on the basis of examination of the books and records of the company, carried out in accordance with the generally accepted auditing principles in India, and according to the information and explanation given, we have neither come across nor have we been informed of any instance of major weakness in internal control systems of the company.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements (exceeding the value of ₹5 lacs in respect of any party during the financial year) have been made at prices which are generally reasonable having regard to prevailing market prices at the relevant time (read with para 4 above).
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Act and rules framed there under. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
9. (a) According to the records and information made available to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues to the extent applicable to it and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March 2014.
 - (b) According to the records and information and explanations given to us, there are no dues in respect of income tax, wealth tax, service tax, custom duty, excise duty and cess that have not been deposited with appropriate authorities on account of disputes and dues in respect of customs duty, excise duty, service tax, local area development tax and sales tax (including Turnover tax) that have not been deposited with appropriate authorities on account of disputes and the forum where the dispute is pending are as given below:

Name of Statue	Nature of Dues	Period to which it relates	Amount (₹ in Lacs)	Forum where dispute is pending
Custom Act	Custom Duty	1997-1999	5.91	Deputy Commissioner of Customs, (Import) Tughlakabad
Central Excise Act	Excise duty	1999-2004	317.43	CESTAT, New Delhi
		2005-2007	13.04	CESTAT, New Delhi
		1996-2000	9.33	CCE Appeals, Ahmedabad
		1994-1995	0.07	Asst. Commissioner, Kalol
Sales Tax Act	Local Area Development Tax	2002-2003	5.15	Haryana Tax Tribunal, Chandigarh
		2006-2007	60.12	Supreme Court of India
		2007-2008	76.40	Supreme Court of India
		2008-2009	89.27	Supreme Court of India
		2009-2010	93.56	Supreme Court of India
		2010-2011	59.62	Supreme Court of India
		2011-2012	60.16	Supreme Court of India
		2012-2013	73.54	Supreme Court of India
		2013-2014	85.48	Supreme Court of India
		Turnover Tax	Turnover Tax	1990-1993
2006-2007	52.61			Asst. Commissioner, Ahmedabad
2007-2008	28.76			Joint. Commissioner, Commercial Taxes, Banglore
Sales Tax	Sales Tax	2001-2002	0.48	Deputy Commissioner (Appeals) , Commercial Taxes, Jaipur
Finance Act	Service Tax	2007-2008	0.74	CESTAT, Ahmedabad
		2007-09	2.80	Asstt. Commissioner, Rohtak
Income Tax Act*	Income Tax	AY 2004-05	114.48	CIT Appeals, Kolkata
		AY 2006-07	5.00	CIT Appeals, Kolkata
		AY 2008-09	5.55	CIT Appeals, Kolkata
		AY 2010-11	63.36	CIT Appeals, Kolkata
		AY 2011-12	5.72	CIT Appeals, Kolkata

* Excluding penalty if any (Refer note no. 26.1)

10. The company does not have accumulated losses as at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, the Company has not defaulted in repayment of dues to financial institution, banks or debenture holders.
12. According to the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. Clause 4 (xiii) of the Order is not applicable to the Company as the Company is not a chit fund or a nidhi / mutual benefit fund / society.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly Clause 4 (xiv) of the Order is not applicable to the Company.
15. The Company has given corporate guarantees for loans taken by other body corporates amount aggregating to ₹ 37,20,00,000/- from banks. According to the information and explanations given to us, we are of the opinion that the terms and conditions on which the company has given corporate guarantees for loans taken from banks, are not, prima- facie prejudicial to the interest of the Company.
16. According to the information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.
17. On an overall examination of the financial statements of the Company and on the basis of information and explanations given to us, we are of the opinion that the company has not used funds raised on short-term basis for long-term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to any parties and companies covered in the register maintained under Section 301 of the Act during the year. [read with note no. 26.6(A)].
19. On the basis of the records made available to us, the Company has no debentures outstanding during the year.
20. The company has not raised any money through public issue during the year.
21. During the course of our examination of the books and records of the company carried out in accordance with the auditing standards generally accepted in India, we have neither come across any material instance of fraud on or by the company, noticed or reported during the year nor we have been informed of such case by the management.

For LODHA & CO.,
 Chartered Accountants
 Firm Registration Number: 301051E

N.K. LODHA
 (Partner)

Place : New Delhi
 Date : The 26th day of May, 2014

Membership No: 85155

Balance Sheet as at 31st March, 2014

(₹ in lacs)			
Particulars	Note No.	31.03.2014	31.03.2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	776.90	689.94
Reserves & Surplus	3	21,274.39	14,385.92
		22,051.29	15,075.86
Non- current Liabilities			
Long term Borrowings	4	5,657.71	6,155.38
Deffered Tax Liabilities (Net) (Refer Note No. 26.9)		2,749.90	2,618.00
Other Long-term Liabilities	5	1,781.09	1,415.66
Long-term Provisions	6	302.23	245.26
		10,490.93	10,434.30
Current Liabilities			
Short-term Borrowings	7	7,282.28	7,971.49
Trade Payables (Refer Note No. 26.8 & 26.22)		17,490.68	16,117.87
Other Current Liabilities	8	6,788.53	6,319.76
Short-term Provisions	9	7,448.85	5,836.12
		39,010.34	36,245.24
Total		71,552.56	61,755.40
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	10	21,411.63	19,871.80
Intangible Assets	10	170.09	80.80
Capital work-in-progress		270.01	937.97
Non-current Investments	11	2,167.02	919.69
Long-term Loans and Advances	12	1,585.71	405.57
		25,604.46	22,215.83
Current Assets			
Current Investment	13	3,710.00	-
Inventories	14	8,574.51	11,864.85
Trade Receivables	15	21,302.14	17,435.02
Cash and Bank Balances	16	3,267.28	2,522.84
Short-Term Loans and Advances	17	8,888.70	7,635.34
Other Current Assets	18	205.47	81.52
		45,948.10	39,539.57
Total		71,552.56	61,755.40
Significant Accounting Policies	1		
Explanatory Notes	26		
The accompanying Notes are an integral part of the Financial Statements			

As per our report of even date
For **LODHA & CO.**
Chartered Accountants
(ICAI FRN. NO.: 301051E)

N. K. LODHA
Partner
M.NO.85155

Place : New Delhi
Dated : The 26th day of May, 2014

For and on behalf of Board of Directors

Shreekant Somany
Chairman & Managing Director

Abhishek Somany
Joint Managing Director

Ambrish Julka
AGM (Legal) & Company Secretary

The Statement of Profit & Loss for the year ended 31st March, 2014

(₹ in lacs)			
Particulars	Note No.	31.03.2014	31.03.2013
Revenue from Operations	19	1,25,778.68	1,05,014.59
Other Income	20	274.35	176.07
Total Revenue		1,26,053.03	1,05,190.66
Expenses:			
Cost of Materials Consumed	21	17,016.58	16,575.44
Purchases of Stock-in-Trade		57,911.51	46,995.39
Change in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	22	2,826.31	(1,607.94)
Employee Benefit Expense	23	8,229.40	7,362.21
Finance Costs	24	1,830.16	1,998.00
Depreciation and Amortization Expense	10	2,206.41	2,040.11
Other Expenses	25	31,630.69	27,160.90
Total Expenses		1,21,651.06	1,00,524.11
Profit before tax		4,401.97	4,666.55
Tax Expense:			
(1) Current Tax		1,467.00	1,425.00
(2) Deferred Tax Charges/Credit		131.90	82.84
Profit After Tax		2,803.07	3,158.71
Earnings Per Equity Share (Per Share Value of ₹2 each)			
Basic		8.01	9.16
Diluted		8.01	9.16
(Refer Note No. 26.14)			
Significant Accounting Policies	1		
Explanatory Notes	26		
The accompanying Notes are an integral part of the Financial Statements			

As per our report of even date
 For **LODHA & CO.**

Chartered Accountants
 (ICAI FRN. NO.: 301051E)

N. K. LODHA
 Partner
 M.NO.85155

Place : New Delhi

Dated : The 26th day of May, 2014

For and on behalf of Board of Directors

Shreekant Somany
 Chairman & Managing Director

Abhishek Somany
 Joint Managing Director

Amrish Julka
 AGM (Legal) & Company Secretary

Cash Flow Statement for the year ended 31st March, 2014

	(₹ in lacs)	
	31.03.2014	31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX & EXCEPTIONAL ITEMS as per Statement of Profit & Loss	4,401.97	4,666.56
I. ADJUSTED FOR :	-	-
Depreciation & Amortisation Expense	2,206.41	2,040.11
Interest and Finance Charges	1,830.16	1,998.01
Interest Income	(216.24)	(156.47)
Dividend Income	(0.07)	(1.67)
Profit on Sales of Investment (Net)	(9.11)	(2.75)
Unrealized Foreign Exchange (Gain)/Loss (Net)	11.94	(18.93)
Diminution in the value of Investment (net)	0.77	-
Provision for Doubtful Debts (net of write back)	27.54	-
Liabilities no longer required written back (net)	(6.74)	(15.43)
Sundry Balances written off / (back) (net)	(15.52)	10.38
Loss on sale / Discard of Fixed Assets/ Assets written off (net)	186.40	50.49
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	8,417.51	8,570.28
II. ADJUSTED FOR :		
Trade & Other Receivable	(4,824.91)	(3,564.39)
Inventories	3,290.34	(2,014.10)
Trade & Other Payable	2,086.00	5,648.67
Cash Generated from Operation	8,968.94	8,640.46
Income Taxes Paid	(1,325.51)	(1,539.13)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	7,643.43	7,101.33
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,536.52)	(3,812.04)
Sale of Fixed Assets	95.60	42.41
Sale of Long Term Investment	0.96	3.11
Purchase of Long Term Investment	(1,248.30)	(325.00)
Share Application Advance	(137.60)	-
Purchase of Short Term Investment	(5,075.80)	-
Sale of Short Term Investment	1,349.32	-
Interest Income	110.81	143.43
TDS on Interest	(21.37)	(11.21)
Dividend Income	0.07	1.67
NET CASH OUTFLOW FROM INVESTING ACTIVITIES (B)	(8,462.83)	(3,957.63)

Cash Flow Statement for the year ended 31st March, 2014

	(₹ in lacs)	
	31.03.2014	31.03.2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	2,004.33	1,828.46
Repayment of Long Term Borrowings	(2,308.56)	(1,936.73)
Short Term Loans Borrowings (net)	(685.67)	(375.72)
Proceeds from issue of Share Capital	86.96	-
Security Premium (Net of Share Issue Expenses)	4,767.10	-
Interest Paid	(1,820.05)	(2,022.49)
Dividend Paid (including corporate dividend tax)	(480.27)	(317.74)
NET CASH IN FLOW FROM FINANCING ACTIVITIES (C)	1,563.84	(2,824.23)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	744.44	319.47
CASH AND CASH EQUIVALENTS		
Opening		
Cash & Cash Equivalent	1,693.13	1,428.98
Other Bank Balances	829.71	774.39
	2,522.84	2,203.37
Closing		
Cash & Cash Equivalent	2,742.85	1,693.13
Other Bank Balances	524.43	829.71
	3,267.28	2,522.84
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	744.44	319.47

Notes :

- a) Cash & Cash Equivalents represents cash and bank balances. (Note No.16)
 b) Figures for the previous year have been regrouped/rearranged wherever considered necessary.

As per our report of even date
 For **LODHA & CO.**
 Chartered Accountants
 (ICAI FRN. NO.: 301051E)

N. K. LODHA
 Partner
 M.NO.85155

Place : New Delhi
 Dated : The 26th day of May, 2014

For and on behalf of Board of Directors

Shreekant Somany
 Chairman & Managing Director

Abhishek Somany
 Joint Managing Director

Ambrish Julka
 AGM (Legal) & Company Secretary

Notes to the Balance Sheet and the Statement of Profit and Loss for the year ended 31st March, 2014

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

1.1 ACCOUNTING CONCEPTS

The financial statements have been prepared under the historical cost convention on accrual basis in compliance with applicable accounting standards notified by the companies (Accounting standards) Rules, 2006 (as amended) and relevant provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except where otherwise stated.

1.2 FIXED ASSETS

- a) Fixed assets are shown at cost of acquisition and/or construction less accumulated depreciation and impairment losses.
- b) Intangible assets are stated at cost less amortisation.
- c) Pre-operative expenditure during the construction/erection period is included under capital work-in-progress and is allocated to the respective fixed assets on completion of construction/erection.

1.3 DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSS

- (a) Fixed assets are depreciated using written down value method except fixed assets of the floor tile unit (including MTP & GVT plant) and addition made after 1st April, 1995 to plant and machinery of wall tile units, where depreciation is provided on a straight line method, at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Continuous process plant as defined in Schedule XIV have been considered on technical evaluation. Impaired assets are amortised over the estimated balance useful life.
- (b) In case of indication of impairment of the carrying amount of the Company's assets, an asset recoverable amount is estimated. Impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Reversal of impairment loss recognised in prior

periods is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.

- (c) Intangible assets being computer software is amortised over a period of five years.

1.4 TRANSACTION OF FOREIGN CURRENCY ITEMS

Transactions denominated in foreign currencies are recorded at exchange rate prevailing at the time of transactions. Monetary items denominated in foreign currencies at the year end translated at exchange rates prevailing on the balance sheet date. Premium in respect of forward contract is accounted over the period of the contract. Exchange differences arising on settlement/translation of monetary items including forward contracts are dealt in the statement of Profit and Loss except foreign exchange loss/gain arising after 1st April, 2012 on long-term foreign currency monetary items used for depreciable assets, which are capitalised.

1.5 INVESTMENTS

Long-term investments are stated at cost less provision for diminution in the value other than temporary. Current investments are stated at cost or market value whichever is lower.

1.6 INVENTORIES

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of raw materials and stores and spare parts is computed on weighted average basis. Cost of finished goods and stock in process is determined by taking material, labour and related overheads. Cost of finished goods includes excise duty.

- 1.7 Revenue expenditure on research and development is charged to Statement of Profit & Loss and capital expenditure is added to fixed assets.

Notes to the Balance Sheet and the Statement of Profit and Loss

1.8 INTEREST ON BORROWINGS

Interest on borrowings is charged to the Statement of Profit & Loss for the year in which it is incurred except interest on borrowings for qualifying fixed assets which is capitalised till the date of commercial use of the asset.

1.9 EMPLOYEE BENEFITS:

- a) Defined Contribution Plan: Employee benefits in the form of Provident Fund (with Government Authorities) and Employees' pension Scheme are defined as contribution plan and charged as expenses during the period in which the employees perform the services.
- b) Defined Benefit Plan: Retirement benefits in the form of gratuity, long-term compensated leaves; other long-term employee benefit and provident fund (multi-employer plan) are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, according to the date of the Balance Sheet. Actuarial gain/losses, if any, are immediately recognised in the Statement of Profit & Loss.
- c) Short-term employee benefit: Short-term benefits are charged off at the undiscounted amount in the year in which the related services rendered.

1.10 GOVERNMENT GRANTS

Grants from government relating to fixed assets are shown as a deduction from the gross value of fixed assets and those of the nature of project capital subsidy are credited to capital reserve. Other government grants including incentive, duty drawback among others are credited to Statement of Profit & Loss or deducted from the related expenses.

1.11 LEASES

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on straight line basis, over the lease period.

1.12 SHARE ISSUE EXPENSES

Share issue expenses are written off against the Security Premium Account.

1.13 PROVISION FOR CURRENT AND DEFERRED TAX

Provision for current tax liability of the Company is estimated considering the provisions of the Income Tax Act, 1961.

Deferred tax is recognised subject to the consideration of timing, differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

- 1.14 Intangible assets are being recognised if the future economic benefits attributable to the assets are expected to flow to the Company and cost of the assets can be measured reliably. The same are being amortised over the expected duration of benefits.

1.15 USE OF ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

1.16 CONTINGENT LIABILITY, CONTINGENT ASSETS AND PROVISION

Contingent liabilities if material, are disclosed by way of notes, contingent assets are not recognised or disclosed in the financial statement, a provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle obligation(s), in respect to which an estimate can be made for the amount of obligation.

Notes to the Balance Sheet

	(₹ in lacs)				
	31.03.2014		31.03.2013		
NOTE 2 SHARE CAPITAL					
Authorised					
Equity Shares 12,50,00,000 (Previous year 12,50,00,000) of ₹2 /-each		2500.00			2500.00
Issued, Subscribed and Paid up					
Equity Shares 3,88,44,826(previous year 3,44,97,000) of ₹2/- each fully paid up		776.90			689.94
		776.90			689.94
Notes :					
(a) (i) Reconciliation of Equity Share Capital (In numbers)					
Shares outstanding at the beginning of the year		34,497,000			34,497,000
Add : Shares issued during the year * {Refer Note no 26.6(a)}		4,347,826			-
Less : Shares bought back during the year		-			-
Shares outstanding at the end of the year		38,844,826			34,497,000
*During the year company has issued 43,47,826 equity shares @₹115/-each (including Premium ₹113/)					
(b) (i) Equity Shares:					
The Company has only one class of Equity Shares having face value of ₹2/- each and each shareholder is entitled to one vote per share. Each shareholders have the right in profit / surplus in proportion to amount paid up with respect to share holder. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets, if any, in proportionate to their individual shareholding in the paid up equity capital of the the company.					
(c) List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)					
i) Bhilwara Holding Limited		9,009,840			9,009,840
ii) Sarvottam Vanijay Limited		6,212,980			6,212,980
iii) Scope Vinimoy Private Limited		3,491,075			3,491,075
iv) Latinia Limited		4,347,826			-
		23,061,721			18,713,895
(d) Details of Allotment/Buy Back of Shares during the period of 5 years immediately preceding the reporting date	2012-13	2011-12	2010-11	2009-10	2008-09
	NIL	NIL	NIL	NIL	NIL

Notes to the Balance Sheet

	(₹ in lacs)	
	31.03.2014	31.03.2013
NOTE 3 RESERVES AND SURPLUS		
Capital Reserve		
Balance at the beginning of the year	45.00	45.00
Addition/ (Transfer) during the year	-	-
Closing balance	45.00	45.00
Capital Redemption Reserve		
Balance at the beginning of the year	0.03	0.03
Addition/ (Transfer) during the year	-	-
Closing balance	0.03	0.03
Security Premium Reserve		
Balance at the beginning of the year	-	-
Premium on allotment of equity shares	4,913.04	-
Less:-Share Issue Expenses {Refer note no 26.6(b)}	145.94	-
Closing balance	4,767.10	-
General Reserve		
Balance at the beginning of the year	3,899.82	3,579.82
Addition/ (Transfer) during the year	300.00	320.00
Closing balance	4,199.82	3,899.82
Surplus in Statement of Profit & Loss Account		
Balance at the beginning of the year	10,441.07	8,086.67
Net Profit for the current Year	2,803.07	3,158.71
Amount available for appropriation	13,244.14	11,245.38
Less : Appropriation:		
Transfer to General Reserve	300.00	320.00
Proposed Dividend	582.67	413.96
Corporate Dividend Tax	99.03	70.35
Closing Balance	12,262.44	10,441.07
Total of Reserves & Surplus	21,274.39	14,385.92

Notes to the Balance Sheet

	(₹ in lacs)	
	31.03.2014	31.03.2013
NOTE 4 LONG-TERM BORROWINGS		
Secured		
Term Loans		
- From Banks	5,454.66	5,493.44
- From Others	975.00	1,275.00
Car Loans		
- From Banks	388.49	228.28
- From Others	80.12	128.69
Deferred Payment Liabilities	1,013.86	1,095.76
	7,912.13	8,221.17
Less: Current Maturities of Long Term Borrowings		
Term loans		
- From Banks	1,790.00	1,629.08
- From Others	300.00	300.00
Car Loans		
- From Banks	126.07	79.30
- From others	38.35	47.02
Deferred Payment Liabilities	-	10.39
	2,254.42	2,065.79
	5,657.71	6,155.38

NOTES

- Rupee Loan of ₹Nil (Previous Year ₹164.71 Lacs) from a Bank is secured by first charge by way of hypothecation of all movable assets and mortgage of all immovable properties of the Company, both present and future, excluding assets exclusively charged and subject to prior charges created and/or to be created in favour of Company's Bankers on the stock of raw materials, finished and semi-finished goods, consumable stores and such other movables, for securing the borrowings for working capital requirements in the ordinary course of business. Above mortgages and charges shall rank pari-passu with other Banks/Others.
- Rupee loan of ₹Nil (Previous Year ₹404.76 Lacs) from a Bank is secured by first exclusive charge by way of hypothecation of machinery, equipment and other fixed assets purchased/ to be purchased out of the said loan.
- Rupee loan of ₹1773.75 Lacs (Previous year ₹2303.92 Lacs) from a Bank and Deferred Suppliers Credit ₹Nil (Previous year ₹42.57 Lacs) (Equivalent Euro Nil Lacs, Previous year Euro 0.61 Lacs) is secured by first exclusive charge by way of hypothecation of machinery, equipment and other fixed assets purchased/ to be purchased out of the said loan. The aforesaid loans are repayable in 8 quarterly installments starting from April 2014.
- Rupee loan of ₹1142.00 Lacs (Previous Year ₹Nil Lacs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable assets of the Company, excluding assets exclusively charged to other Banks and are repayable in 20 equal quarterly installments from June 2015
- Rupee loan of ₹600.00 Lacs (Previous year ₹900.00 Lacs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable assets and mortgage of all immovable properties of the Company, both present and future, excluding assets exclusively charged to other Banks and are repayable in 8 equal quarterly installments from April 2014.
- Rupee loan of ₹975.00 Lacs (Previous Year ₹1275.00 Lacs) from Others is secured by first pari passu charge on all fixed assets of the company except specifically charged and Government Land at Kassar/Kadi and are repayable in 13 equal quarterly installments from June 2014.
- Rupee Loan of ₹1938.91 Lacs (Previous Year ₹1720.05 Lacs) from a Bank and Deferred Suppliers credit of ₹1013.86 Lacs (Previous year ₹1053.19 lacs) {Equivalent Euro 12.20 lacs, previous year Euro 15.02 lacs} is secured by first pari passu charge by way of hypothecation of Plant & Machinery and other movable fixed assets of the company situated at Kassar and Kadi excluding those exclusively charged to other Banks and second pari- passu on current assets of the company both present and future and are repayable in 16 quarterly installments starting from June 2014.
- Car loan from Banks and others are secured by hypothecation of cars purchased there under are repayable in monthly installment over the period of loan.

Notes to the Balance Sheet

	(₹ in lacs)	
	31.03.2014	31.03.2013
NOTE 5 OTHER LONG TERM LIABILITIES		
Trade Deposit	1,125.30	1,007.84
Security Deposit & Others {Refer note 26.5 }	683.60	407.82
	1,808.90	1,415.66
Less:-Current Maturities	27.81	-
	1,781.09	1,415.66
NOTE 6 LONG-TERM PROVISIONS		
Employees Benefits	302.23	245.26
	302.23	245.26
NOTE 7 SHORT-TERM BORROWINGS		
Secured Loans:*		
Working Capital Facilities from Banks		
Working Capital Demand Loans	800.00	2,060.00
Cash Credit	5,453.75	5,216.03
Buyer's Import Credit	968.53	695.46
Unsecured Loans:		
From Body Corporate (Repayable on demand)	60.00	-
	7,282.28	7,971.49
* Working Capital Facilities from Banks are secured by :		
i. First charge by way of hypothecation of stocks of raw materials, finished goods and stock in process, stores & spares and book debts and ranking pari-passu and		
ii. Second and subservient charge by way of Equitable Mortgage on all other assets, both present and future, of the company, both movable and immovable & ranking pari-passu, excluding assets exclusively charged. Charge over land exchange of about 3 acers at Kassar is to be created.		
NOTE 8 OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Borrowings	2,254.42	2,065.79
Interest Accrued But not Due on Borrowings	10.73	4.47
Interest Accrued and Due on Borrowings	39.23	30.58
Statutory Dues	1,129.47	1,184.29
Capital Creditors (Refer Note 26.8)	139.81	200.84
Security Deposit	96.73	126.19
Advance from Customers	618.00	672.99
Unclaimed Dividends #	13.75	9.70
Other Liability (Refer Note 26.8)	2,486.39	2,024.91
	6,788.53	6,319.76

Investor Education & Protection Fund shall be credited when due.

Notes to the Balance Sheet

(₹ in lacs)

	31.03.2014	31.03.2013
NOTE 9 SHORT TERM PROVISION		
Proposed Dividend	582.67	413.96
Corporate Dividend Tax	99.03	70.35
Income Tax	6,574.00	5,107.00
Fringe Benefit Tax	153.50	153.50
Employees Benefits	39.65	91.31
	7,448.85	5,836.12

NOTE 10 FIXED ASSETS

(₹ in lacs)

Particulars	GROSS CARRYING VALUE				DEPRECIATION				NET CARRYING VALUE	
	Book Value at 01.04.2013	Additions	Deductions/ Adjustments	Book Value at 31.03.2014	Up to 31.03.2013	For the year	Written Back / Adjustments	Up to 31.03.2014	As on 31.03.2014	As on 31.03.2013
TANGIBLE ASSETS										
1. (a) Freehold Land	398.26	183.13@	-	581.39	-	-	-	-	581.39	398.26
(b) Leasehold Land	116.09	-	-	116.09	10.95	1.31	-	12.26	103.83	105.14
2. Buildings	5,316.29	604.97	8.35	5,912.91	2,140.05	207.29	8.35	2,338.99	3,573.92	3,176.24
3. Plant & Equipment	31,578.96	2,647.82	1,857.40	32,369.38	16,754.31	1,583.28	1,628.53	16,709.06	15,660.32	14,824.65
4. Furniture & Fixtures #	1,286.01	149.06	103.47	1,331.60	701.71	140.62	100.44	741.89	589.71	584.30
5. Office Equipments #	489.49	49.72	34.19	505.02	239.90	52.86	31.60	261.16	243.86	249.59
6. Vehicles	1007.66	344.72	153.09	1,199.29	474.04	172.23	105.58	540.69	658.60	533.62
Sub Total (A)	40,192.76	3,979.42	2,156.50	42,015.68	20,320.96	2,157.59	1,874.50	20,604.05	21,411.63	19,871.80
Previous year	38,169.37	2,991.45	968.06	40,192.76	19,177.45	2,018.66	875.15	20,320.96		
INTANGIBLE ASSETS										
Computer Software	169.11	138.11	-	307.22	88.31	48.82	-	137.13	170.09	80.80
Sub Total (B)	169.11	138.11	-	307.22	88.31	48.82	-	137.13	170.09	80.80
Previous year	142.24	26.87	-	169.11	66.86	21.45	-	88.31	-	-
Total (A+B) Current Year	40,361.87	4,117.53	2,156.50	42,322.90	20,409.27	2,206.41	1,874.50	20,741.18	21,581.72	19,952.60
Previous year	38,311.61	3,018.32	968.06	40,361.87	19,244.31	2,040.11	875.15	20,409.27		

(@ Paid on exchange of partial of Land under an agreement)

Regrouped during the year

Note

- Plant and equipment includes Machinery Gross ₹62.29 Lacs (previous year ₹62.29 Lacs) lying with third parties, pending confirmation.[Note No. 26.5]
- Furniture & Fixtures includes certain expenditure on lease hold premises Gross ₹359.01 Lacs WDV ₹183.78 Lacs (Previous Year Gross ₹324.93 Lacs WDV ₹192.77 Lacs) which are amortised over the useful life of the respective assets.
- Addition to Plant & equipments includes foreign exchange loss amounting to ₹239.91 Lacs capitalised (Previous year ₹89.84 Lacs)

Notes to the Balance Sheet

	(₹ in lacs)	
	31.03.2014	31.03.2013
NOTE 11 NON-CURRENT INVESTMENTS		
Long term Investments (At cost less provision)		
Trade- Investment in Equity Shares		
A) Unquoted, fully paid up shares		
Subsidiary Companies		
(a) 1,85,000 Equity Shares (Previous year 1,85,000) of ₹10/- each of SR Continental Limited (including 7 Equity Shares of ₹10/- each fully paid up held in the name of nominees)	18.50	18.50
(b) 5,00,000 Equity Shares (Previous year 5,00,000) of ₹10/- each of Somany Global Ltd.	50.00	50.00
(c) 53,04,000 Equity Shares (Previous year Nil) of ₹10/- each of Amora Tiles Pvt Ltd.	530.40	0.00
Joint Venture Companies		
7,73,000 Equity Shares (Previous year 7,73,000) of ₹10/- each of Somany Keraben Pvt Ltd.	77.30	77.30
Associate Companies		
(a) 23,40,000 Equity Shares (Previous year 23,40,000) of ₹10/- each of Vintage Tiles Pvt Ltd.	503.10	503.10
(b) 32,50,000 Equity Shares (Previous year 32,50,000) of ₹10/- each of Commander Vitrified Pvt Ltd.	325.00	325.00
(c) 18,85,000 Equity Shares (Previous year Nil) of ₹10/- each of Vicon Ceramics Pvt Ltd.	188.50	-
(d) 14,60,000 Equity Shares (Previous year Nil) of ₹10/- each of Acer Granito Pvt Ltd.	511.00	-
Others		
30,662 Equity Shares (Previous year Nil) of ₹10/- each of Sonec Sanitaryware Pvt Ltd	18.40	-
	2,222.20	973.90
B) Quoted, fully paid up (Others)		
(a) 2,00,000 Equity Shares (Previous year 2,00,000) of ₹4/- each of Schablona India Ltd.	20.00	20.00
(b) 250 Equity Shares (Previous year 2,250) of ₹10 each of Orient Ceramics & Industries Ltd. (Including Bonus shares)	0.02	0.22
	20.02	20.22
Non Trade others-Quoted		
(a) 110 Equity Shares (Previous year 110) of ₹10/- each of Punjab National Bank Ltd.	0.43	0.43
(b) 66,698 Equity Shares (Previous year 66,698) of ₹10/-each of Soma Textile & Industries Ltd.	10.74	10.74
	11.17	11.17
	2,253.39	1,005.29
Less: Provision for diminution in value of investment	86.37	85.60
	2,167.02	919.69
Aggregated Book Value of Quoted Investment	31.19	31.39
Market value of Quoted Investments	26.62	38.21
Aggregated Book Value of Unquoted Investment	2,222.20	973.90
Aggregated provision for diminution in value of investment	86.37	85.60

Notes to the Balance Sheet

	(₹ in lacs)	
	31.03.2014	31.03.2013
NOTE 12 LONG TERM LOAN AND ADVANCES		
(Unsecured, Considered Good Unless Stated Otherwise)		
Deposits		
- With Government Authorities	80.04	85.81
- With Related Parties	967.10	-
- With Others	277.39	210.90
Prepaid Expenses	4.70	3.89
Capital Advance	108.32	82.39
Inter Corporate Deposit with others	-	7.50
Others	10.56	15.08
Advance against Share Application Money {Refer Note no 26.24(b)}	137.60	-
	1,585.71	4,05.57
NOTE 13 CURRENT INVESTMENTS		
(valued at lower of cost and quoted / fair value)		
Unquoted		
Trade deposit in bonds		
100 Unit (Previous year Nil) RRBPNL 2026	1,000.00	-
66 Unit (Previous year Nil) TGDC 2024	660.00	-
50,000 Unit (Previous Year Nil) 11.50% SREINFRAFI 2019	500.00	-
50,000 Unit (Previous Year Nil)11.75% SREINFRAFI 2019	500.00	-
Quoted		
Trade investment in mutual fund		
10,678.004 Unit (Previous Year Nil) SBI MAGNUM-GROWTH	300.00	-
2,27,899.191 Unit (Previous Year Nil) ICICI MONEY MARKET-GROWTH	400.00	-
17,55,679.624 Unit SBI MAGNUM (Previous Year Nil) INCOME FR-SPB-RP-GROWTH	350.00	-
	3,710.00	-
Less:-Provision for diminution in value of investment	-	-
	3,710.00	-
Aggregate book value of quoted investments	1,050.00	-
Aggregate market value of quoted investments	1,057.05	-
Aggregate book value of unquoted investments	2,660.00	-
Aggregate market value of unquoted investments*	2,660.00	-

* As the market value of the bonds is not available, purchase value is considered as market value.

Notes to the Balance Sheet

	(₹ in lacs)	
	31.03.2014	31.03.2013
NOTE 14 INVENTORIES		
(Valued at Lower of Cost and Net Realisable Value)		
(As taken , Valued and Certified by the Management)		
Raw Materials & Packing Material	1,137.04	1,122.26
(Including Goods in transit ₹2.17 Lacs ,Previous Year ₹29.08 Lacs)		
Work -in-Process	261.43	338.63
Finished Goods	3,132.08	4,721.43
Stock in Trade {Refer note no 26.23(a)}	2,492.93	4,015.95
(Including Goods in transit ₹10.76 Lacs,Previous Year ₹204.42 Lacs)		
Stores and Spares	1,551.03	1,666.58
(Including Goods in transit ₹Nil ,Previous Year ₹10.56 Lacs)		
	8,574.51	11,864.85

NOTE 15 TRADE RECEIVABLES		
(Unsecured, Considered Good Unless Stated Otherwise)		
Exceeding Six month from Due Date		
i) Good	670.21	541.89
ii) Doubtful	155.27	127.73
	825.48	669.62
Less: Provision for Doubtful Debt	155.27	127.73
	670.21	541.89
Others*	20,631.93	16,893.13
	21,302.14	17,435.02

[* Including ₹0.93 Lacs (previous year ₹0.53 Lacs) receivable from related party]

NOTE 16 CASH & BANK BALANCES		
Cash & Cash Equivalents (As certified by the management)		
Cash in Hand	18.38	9.65
Draft / Cheque in hand	0.19	1.50
Balance with Banks :		
Current Accounts	1,588.19	1,681.98
Bank Deposit with maturity of 3 months or less	1,136.09	-
Earmarked Balance with Banks		
Bank Deposit (Pledge with Government Department)	71.18	138.67
Unclaimed Dividend Accounts	13.75	9.70
Other Bank Balance		
Fixed Deposits held as Margin Money with Banks/ Financial institutions	439.50	681.34
	3,267.28	2,522.84

Notes to the Balance Sheet and the Statement of Profit and Loss

	(₹ in lacs)	
	31.03.2014	31.03.2013
NOTE 17	SHORT TERM LOANS AND ADVANCES	
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposit with Others	7.50	18.00
Advance Income Tax / Tax Deducted at Source	6,772.19	5,425.32
Balance with Government Authorities	1,062.55	1,297.79
Deposit with Others	21.33	40.40
Prepaid Expenses	142.25	166.01
Other Advances	882.88	687.82
	8,888.70	7,635.34
NOTE 18	OTHER CURRENT ASSETS	
Accrued Interest	146.61	16.36
Export Incentive Receivable	49.94	52.80
Derivative Financial Assets	8.92	12.36
	205.47	81.52
NOTE 19	REVENUE FROM OPERATIONS	
Sales of manufactured goods (tiles)	64,228.06	56,748.71
Sales of traded goods {Refer note 26.23(a)}	68,046.55	54,102.42
Other operating revenue		
Scrap Sales	235.96	218.92
Liabilities No Longer Required Written Back (Net)	6.74	15.43
Sundry Balance Written Back (Net)	17.54	0.61
Income From Services	92.37	-
Insurance Claim	130.56	156.03
	1,32,757.78	1,11,242.12
Less: Excise Duty	6,979.10	6,227.53
	1,25,778.68	1,05,014.59
NOTE 20	OTHER INCOME	
Interest Received	216.24	156.47
Dividend on long term Investments	0.07	1.67
Rent and Lease Rent Received	1.03	0.46
Profit on Sale of Fixed Assets	30.56	8.36
Profit on Sale of Short Term Investments	8.34	-
Profit on Sale of Long Term Investments	0.77	2.75
Miscellaneous Receipts	17.34	6.36
	274.35	176.07

Notes to the Statement of Profit and Loss

		(₹ in lacs)	
		31.03.2014	31.03.2013
NOTE 21	COST OF MATERIALS CONSUMED		
	Raw Material Consumed	13,959.65	13,721.70
	Packing Material Consumed	3,056.93	2,853.74
		17,016.58	16,575.44
NOTE 22	CHANGE IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE		
	Closing Stock*		
	Finished Goods	3,132.08	4,721.43
	Stock-in-Trade	2,482.17	3,811.53
	Total Finished Goods	5,614.25	8,532.96
	Work-in-Process	261.43	338.63
		5,875.68	8,871.59
	Less: Opening Stock*		
	Finished Goods	4,721.43	3,451.48
	Stock-in-Trade	3,811.53	3,442.20
	Total Finished Goods	8,532.96	6,893.68
	Work-in-Process	338.63	293.27
		8,871.59	7,186.95
	(Increase)/ Decrease in Stock	2,995.91	(1,684.64)
	Add / (Less): (Increase) Decrease in Excise duty on Stock	169.60	(76.70)
		2,826.31	(1,607.94)
*Excluding Goods in Transit			
NOTE 23	EMPLOYEE BENEFIT EXPENSE		
	Salary, Wages, Bonus etc.	7,464.80	6,669.40
	Contribution to Provident Fund and Other Funds	399.83	418.99
	Workmen & Staff Welfare	364.77	273.82
		8,229.40	7,362.21
NOTE 24	FINANCE COST		
	Interest	1,729.91	1,867.33
	Other Borrowing Cost	100.25	104.57
	Applicable Net Loss on Foreign Currency Transactions/ Translation	-	26.10
		1,830.16	1,998.00

Notes to the Statement of Profit and Loss

	(₹ in lacs)	
	31.03.2014	31.03.2013
NOTE 25 OTHER EXPENSES		
Stores and Spare Parts Consumed	2,316.76	2,376.12
Power & Fuel	16,472.33	13,057.71
Repairs and Maintenance:		
Buildings	109.85	171.91
Plant & Machinery	186.47	155.10
Others	110.81	105.16
Rent	491.72	512.68
Rates & Taxes	175.51	127.93
Insurance	57.33	47.83
Travelling & Conveyance Expenses	1,110.44	867.56
Exchange Rate Difference (Net)	194.45	27.78
Directors' Fees	5.65	5.00
Non Executive Directors' Commission	30.58	30.00
Selling & Distribution Expenses	2,501.24	2,791.28
Discount	1,367.26	1,099.29
Freight Outward and Handling Charges	2,848.26	2,801.89
Advertisement & Sales Promotion Expenses	1,961.01	1,519.23
Commission to Agents	305.70	197.64
Provision for Doubtful Debts	27.54	-
Provision for Diminution in Value of Long Term Investment	0.77	-
Prior Period Adjustment (Net)	1.06	0.16
Sundry Balances Written Off	2.02	10.99
Legal & Professional Expenses	224.43	290.66
Loss on Sale of Fixed Assets	52.22	22.82
Fixed Assets Discard /Written Off	164.74	36.04
Other Expenses	912.54	906.12
	31,630.69	27,160.90

Notes to the Balance Sheet and the Statement of Profit and Loss

NOTE 26 EXPLANATORY NOTES

26.1 Contingent liabilities and commitments (to the extent not provided for)

(As certified by the Management)

		(₹ in lacs)	
S. No.	Particulars	31.03.2014	31.03.2013
(A)	(i) Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances]	712.31	652.97
	(ii) Contingent liabilities not provided for in respect of: (As certified by the Management)		
	a) Claims and other demands against the Company not acknowledged as debts.	204.01	127.00
	b) Sales tax and purchase tax demands, among others against which the Company has preferred appeals.	247.09	254.97
	c) Excise and custom duty (excluding interest and penalty) and service tax demands and show-cause notices issued against which the Company/Department has preferred appeals/filed replies.	353.39	353.39
	d) Disputed income tax and wealth tax demand (excluding penalty if any)	194.10	230.20
	e) Against the imposition of Local Area Development Tax (LADT) levied by Haryana Government, the Hon'ble Supreme Court of India vide its order dated 10th May, 2006 has accepted the Company's application for stay. Further, Hon'ble Supreme Court vide their order dated 30th October, 2009 stated the assessee to file the LADT returns; however, no recovery of tax will be made till further order. In the meantime, the Haryana Government has repealed the LADT Act and introduced another Act by the name of 'Entry Tax' on the same line, which was also been held ultra vires by the Hon'ble Punjab and Haryana High court. Pending the final Order of the Hon'ble Supreme Court on the above matter And there is no Act either LADT/Entry Tax prevalent in Haryana, no provision for the same is considered necessary by the Company for the period from 1st April, 2006.	603.30	517.82
	(iii) Bond executed in favour of sales tax/custom authorities.	25.00	25.00
	(iv) Custom duty, which may arise if obligation for exports is not fulfilled against import for capital under EPCG.	-	3,662.65
(B)	Outstanding Corporate Guarantee to banks in respect of various fund/non fund based facilities extended to subsidiary/other body corporates	3,720.00	1,230.00

26.2 In the previous year, a demand of ₹925.65 lacs (including interest of ₹97.41 lacs) for difference between market rate (Non APM) and contracted price (APM) of gas for the period from 1st July, 2005 to 31st March, 2010 has been raised by GAIL (India) Ltd. After considering further debit notes on account of interest / bank charges for the post periods, the total demand increased to ₹1080.21 lacs (including interest of ₹251.98 lacs) as on 31st March 2014. The Company along with others filed a Special Civil Application (SCA) which was admitted by the Hon'ble Gujarat High Court on submission of bank guarantee of ₹118 lacs. Pending decision / further direction, no provision in this regard is considered necessary by the Company.

26.3 Sales are reported net of trade discounts and returns and includes export benefits of ₹99.65lacs (previous year ₹105.26lacs).

26.4 Since it is not possible to ascertain with reasonable certainty the quantum of accrual in respect of certain insurance and other claims and interest on overdue bills from customers, the same are continued to be accounted for as and when received/settled.

26.5 Other long-term liabilities include encashment of bank guarantee in earlier years amounting to ₹202.50 lacs (previous year ₹202.50 lacs) provided by the supplier of machinery. The supplier of machinery has challenged the encashment of bank guarantee and the case is pending before Hon'ble High Court of Delhi and Kolkata. Pending final decision, no adjustment has been carried out in accounts and above amount is shown under long term liabilities.

Notes to the Balance Sheet and the Statement of Profit and Loss

NOTE 26 EXPLANATORY NOTES

- 26.6** (a) During the year, the Company raised ₹49,99,99,990/- by allotting 43,47,826 no. equity shares of ₹2/- each @ ₹115/- per share (including premium @ ₹113/- per share) on preferential basis to Latinia Limited, Mauritius. The funds so raised (net of issue expenses of ₹145.94 lacs) have been utilized for the purposes for which the same were raised except for ₹3,700 lacs which have been temporarily parked in bonds/debt scheme of mutual funds.
- (b) Share issue expenses amounting ₹145.94 lacs on issue of above shares have been charged to Security Premium Account and to that extent profit is stated higher.
- 26.7** Advance recoverable in cash/kind (net) includes amount due from a JV Company (SKPL) amounting to ₹13.99 lacs (previous year ₹8.80 lacs), which is considered good for recovery by the company.
- 26.8** The Company has not received full information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT); hence, disclosure relating to amount unpaid at year end together with interest paid/payable have been given based on the information so far available with the Company/identified by the Company management. The detail of the same is as under:-

Particulars	(₹ in lacs)	
	31.03.2014	31.03.2013
a) i) Principal amount remaining unpaid at the end of the accounting year	-	-
ii) Interest due on above	-	-
b) i) Interest paid by the Company in terms of Section 16 of MSMED Act.	-	-
ii) Payment made to supplier beyond the appointed day during the year.	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this Act.	-	-
d) The amount of interest accrued and remaining unpaid at the end of financial year.	-	-
e) The amount of further interest remaining due and payable even in succeeding years, until such date when the interest due as above are actually paid.	-	-

- 26.9** The major components of Deferred Tax Liability and Deferred Tax Assets are as under:

Particulars	(₹ in lacs)	
	31.03.2014	31.03.2013
Deferred Tax Liability		
Related to Depreciable Assets	2,877.88	2,765.61
Deferred Tax Assets		
Provisions for Doubtful Debts	52.78	41.44
Disallowance under Income Tax Act, 1961	75.20	106.17
	127.98	147.61
Deferred Tax Liability (Net)	2,749.90	2,618.00
Deferred tax Liability/(Assets) for the year	131.90	82.84

Notes to the Balance Sheet and the Statement of Profit and Loss

NOTE 26 EXPLANATORY NOTES

26.10 EMPLOYEE BENEFITS:

(a) The status of the gratuity, leave encashment and sick leave as at 31st March, 2014 is as follows:

Particulars	(₹ in lacs)			
	Gratuity (Funded)	Leave Encashment and Sick Leave (Non-Funded)	Gratuity (Funded) (Previous Year)	Leave Encashment and Sick Leave (Non-Funded) (Previous Year)
I Expense recognised in the statement of Profit and Loss				
a) Current service cost	114.53	15.68	68.49	47.26
b) Past service cost	-	-	-	-
c) Interest cost	68.83	23.43	50.91	20.85
d) Expected return on plan assets	(58.65)	-	(53.94)	-
e) Curtailment cost / (credit)	-	-	-	-
f) Settlement cost / (credit)	-	-	-	-
g) Net actuarial (gain)/loss recognised in the period	(118.06)	90.15	36.34	(0.88)
h) Total expenses	6.65	129.26	101.80	67.23
II Net assets/(liability) recognised in the Balance sheet				
a) Present value of obligation as at the end of the period	786.30	341.88	769.65	285.10
b) Fair value of plan assets as at the end of the period	805.68	-	718.17	-
c) Funded status	19.38	(341.88)	(51.47)	(285.10)
d) Net asset/ (liability) recognised in balance sheet	-	(341.88)	(51.47)	(285.10)
III Change in present value of obligation				
a) Present value of obligation as at the beginning of the period*	769.65	285.10	679.88	260.68
b) Acquisition adjustment	-	-	-	-
c) Interest cost	68.83	23.43	50.91	20.85
d) Past service cost	-	-	-	-
e) Current service cost	114.53	15.68	68.49	47.26
f) Curtailment cost/(credit)	-	-	-	-
g) Settlement cost/(credit)	-	-	-	-
h) Benefits paid	(47.67)	(72.48)	(86.96)	(42.81)
i) Actuarial (gain)/loss on obligation	(119.04)	90.15	57.33	(0.88)
j) Present value of obligation as at the end of period	786.30	341.88	769.65	285.10
IV Changes in the fair value of plan assets				
a) Fair value of plan assets at the beginning of the period	718.17	-	674.21	-
b) Acquisition adjustment	-	-	-	-
c) Expected return on plan assets	58.65	-	53.94	-
d) Contributions	77.51	-	56.00	-
e) Benefits paid	(47.67)	-	(86.96)	-
f) Actuarial gain/(loss) on plan assets	(0.98)	-	20.99	-
g) Fair value of plan assets at the end of the period	805.68	-	718.17	-
V The Major Category of plan assets as a percentage of total plan				
Mutual Funds	96%	-	100%	-
Government securities	0%	-	0%	-
Bank	4%	-	0%	-

Notes to the Balance Sheet and the Statement of Profit and Loss

Particulars	(₹ in lacs)					
	Gratuity (Funded)	Leave Encashment and Sick Leave (Non-Funded)	Gratuity (Funded) (Previous Year)	Leave Encashment and Sick Leave (Non-Funded) (Previous Year)		
VI Actuarial Assumptions						
Economic Assumptions:						
Discounting rate	9.20%	9.20%	8.00%	8.00%		
Future salary increase	5.00%	5.00%	5.00%	5.50%		
Expected rate of return on plan assets	8.00%	0.00%	8.00%	0.00%		
Demographic Assumptions:						
Retirement age	58	58	58	58		
Mortality table	IALM (2006-2008)		LIC (1994-96) duly modified			
Withdrawal rates			Ages	Withdrawl Rate (%)	Ages	Withdrawl Rate (%)
	1.50%	1.50%	Upto 29 years	1	Upto 30 years	3
			Upto 45 years	3	Upto 44 years	2
			Above 45 years	6	Above 44 years	1

* Based on the actuarial valuation done by an actuary appointed during the year.

b) Amounts recognised as an expense/ (income) and included in the Note Number 23 are as under:

‘Contributions to Provident and other Funds’ of the statement of Profit and Loss includes ₹356.53 lacs (previous year ₹306.52 lacs) towards contribution to Provident Fund [including ₹128.51 lacs (previous year ₹105.07 lacs) towards Somany Provident Fund, a multi-employer plan, refer to (c) below].

- c) The Guidance issued by the Accounting Standard Board (ASB) on implementing AS-15, Employee Benefits (revised 2005) states that provident funds set up by employers, the investment and actuarial risk of which fall on the employer, needs to be treated as defined benefit plan. Its effect in this respect has not been ascertained and the same has been accounted for, as defined. The Fund has a surplus, determined net of investments less corpus (contribution plus interest thereon).
- d) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- e) The expected return on the plan assets is determined by considering several applicable factors mainly the composition of the plan assets held, assessed risks of assets management, historical results of return on plan assets and the policy for plan assets management.
- f) The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

26.11 The business activity of the Company falls within a single business segment viz. ‘Ceramic Tiles and allied products’ and basically sale of the product is within the country. Hence, the disclosure requirement of Accounting Standard 17 of ‘Segment Reporting’ notified under Companies (Accounting Standards) Rules, 2006 is not considered applicable.

Notes to the Balance Sheet and the Statement of Profit and Loss

26.12 Related Party Transactions (As certified by the Management)

A. Names of related parties where control exists and nature of relationship:

Subsidiary Company : M/s SR Continental Ltd.
 M/s Somany Global Ltd. (Formerly Somany Retail Ltd)
 M/s Amora Tiles Private Limited (w.e.f. 30th January, 2014)

B. Other related parties with whom transactions have taken place and description of relationship:

1. Joint Venture : M/s Somany Keraban Private Ltd.
2. Key Management Personnel : Mr. Shreekant Somany, Chairman & Managing Director.
 Mr. Abhishek Somany, Joint Managing Director.
 (Son of Chairman & Managing Director)
3. Relatives of Key Management Personnel : Mrs. Minal Somany
 (Wife of Joint Managing Director)
4. Associate Company : Vintage Tiles Private Limited
 Commander Vitrified Private Limited
 Vicon Ceramic Private Limited (w.e.f. 25th November, 2013)
 Acer Granito Private Limited (w.e.f. 08th March, 2014)

C. Details of transactions with related parties:

Particulars	(₹ in lacs)	
	31.03.2014	31.03.2013
SR Continental Ltd.		
Purchase of goods	336.11	396.62
Sale of goods	4.56	2.91
Job work charges	34.39	37.61
Rent Received	0.06	0.06
Rent paid	1.08	1.08
Interest paid	-	8.42
Repayment of Inter- corporate loans taken	-	83.42
Payment made on their behalf	28.18	34.19
Outstanding at the year-end:		
Trade Receivable	0.93	0.53
Trade Payable	38.85	63.90
Co-surety taken	12.50	12.50
Somany Global Ltd.		
Payment made on their behalf	5.47	5.98
Expense incurred on their behalf	-	29.05
Sales of goods (including samples)	192.52	156.39
Outstanding at the year-end:		
Advance received against supply	0.15	1.92

Notes to the Balance Sheet and the Statement of Profit and Loss

Particulars	(₹ in lacs)	
	31.03.2014	31.03.2013
Amora Tiles Private Limited		
Investment made	530.40	-
Purchase of goods	50.72	-
Interest Received	2.85	-
Deposit given during the year	144.60	-
Deposit received back during the year	100.00	-
Corporate Guarantee given	2,490.00	-
Outstanding at the year-end:		
Trade Payable	50.50	-
Deposits	44.60	-
Interest receivable	2.57	-
Somany Keraben Private Ltd.		
Advances given for asset/material	-	0.50
Payment made on behalf of Somany Keraben Pvt. Ltd.	4.49	4.04
Outstanding at the year-end	Dr. 13.99	Dr. 49.97
Mr. Shreekant Somany		
Remuneration paid	158.27	136.92
Commission	98.02	126.20
Outstanding at the year-end	-	-
Mr. Abhishek Somany		
Remuneration paid	139.18	133.07
Commission	117.11	143.27
Rent paid	7.57	7.16
Outstanding payable at the year end	0.59	0.55
Mrs. Minal Somany		
Remuneration paid	23.90	20.82
Rent paid	16.59	8.05
Outstanding payable at the year end	1.89	0.63
Vintage Tiles Private Limited		
Purchase of goods	9,841.61	6,911.63
Sale of goods	-	5.46
Technical services provided during the year	35.10	-
Interest Received	31.62	28.58
Deposit given during the year	200.00	26.00
Outstanding at the year-end:		
Trade Payable	164.03	-
Advance given against supply	-	36.92
Deposits	226.00	26.00
Interest Receivable	21.71	-

Notes to the Balance Sheet and the Statement of Profit and Loss

Particulars	(₹ in lacs)	
	31.03.2014	31.03.2013
Commander Vitrified Private Limited		
Investment made	-	325.00
Purchase of goods	10,240.87	6,039.76
Sale of goods	14.38	3.63
Technical services provided during the year	46.80	-
Interest Received	21.08	6.29
Deposit given during the year	-	170.00
Outstanding at the year-end:		
Trade Payable	355.47	540.69
Trade Receivable	2.08	1.09
Deposits	170.00	170.00
Interest Receivable	18.97	-
Vicon Ceramic Private Limited		
Investment made	188.50	-
Purchase of goods	7.93	-
Interest Received	3.85	-
Deposit given during the year	226.50	-
Outstanding at the year-end:		
Trade Payable	9.11	-
Deposits	226.50	-
Interest Receivable	3.47	-
Acer Granito Private Limited		
Investment made	511.00	-
Purchase of goods	540.91	-
Technical services provided during the year	6.50	-
Interest Received	4.34	-
Deposit given during the year	300.00	-
Outstanding at the year-end:		
Trade Payable	68.78	-
Deposits	300.00	-
Interest Receivable	3.91	-

Notes to the Balance Sheet and the Statement of Profit and Loss

26.13 Interest in Joint Venture Company

- a) Company's contribution in the joint venture (by the name SomanyKeraben Private Ltd., a 50:50 Joint Venture Company) till 31st March, 2014 is ₹77.30 lacs (previous year ₹77.30 lacs) towards share capital of Joint Venture entity.

Pursuant to Accounting Standard 27 "Financial Reporting of Interests in Joint Venture" the relevant information relating to Joint Venture Company (JVC) are given below:

Name of the JVC	Country of Incorporation	Proportion of Ownership Interest
SomanyKeraben Private Limited (SKPL)	India	50%

- b) The Company's share in the aggregate amounts of each of the assets, liabilities, income, expense, contingent liabilities and capital commitments as at/for the years ended 31st March, 2014 in the above company, as per its unaudited financial statements is as under:

(₹ in lacs)

Proportion of Company's Interest in JVC	2013-14 (Unaudited) *	2012-13 (Audited)**
Assets		
Fixed assets(net block) (including CWIP)	0.00	0.48
Cash and bank balances	1.40	0.19
Trade Receivables	0.00	2.48
Loans and advances	0.60	22.43
Liabilities		
Current liabilities and provisions	11.32	33.17
Income		
Other incomes	4.88	2.14
Expenses		
Administrative and other expenses	6.51	6.86
Depreciation	0.00	0.13

* Unaudited and certified by the management

** Revised as subsequent to the adoption and made available to the Company.

26.14 Earning Per Share

The numerators and denominators used to calculate basic and diluted earnings per share:

Particulars		31.03.2014	31.03.2013
Profit/(Loss) attributable to the equity share holders (₹ in Lacs)	(A)	2,803.07	3,158.71
Weighted average number of equity shares outstanding during the year	(B)	3,49,97,298	3,44,97,000
Nominal value of equity shares (₹)		2	2
Basic earning per share (₹)	(A/B)	8.01	9.16
Diluted earning per share (₹)	(A/B)	8.01	9.16

Notes to the Balance Sheet and the Statement of Profit and Loss

26.15 Capital work in progress includes machinery under installation and/or in transit, construction/erection material and pre-operative expenses pending allocation/capitalisation. The details of pre-operative expenses are as follows:-

(₹ in lacs)		
Particulars	31.03.2014	31.03.2013
Opening Balance	101.76	87.69
i) Raw material consumed	-	-
ii) Stores and spares consumed	-	55.05
iii) Travelling expenses	-	-
iv) LC Charges /Bank Charges	-	0.95
v) Legal and professional charges	1.22	5.03
vi) Foreign technology expenses	0.20	-
Total	103.18	148.72
Less: Allocated to fixed assets/adjusted	101.76	46.96
Closing Balance	1.43	101.76

26.16 Research and development expenditure on revenue account amounting to ₹58.32 lacs (previous year ₹45.30 lacs) has been charged to statement of profit and loss.

26.17 In the opinion of the management, current assets and loans and advances have a value on realisation in ordinary course of business at least equal to the amount at which they are stated.

26.18 Balances of certain trade receivables, trade payables, other liabilities and other advances are in process of confirmation or reconciliation.

26.19 Profit and/or Loss on sale of stores and raw materials remain adjusted in respective consumption accounts.

26.20 (a) Foreign exchange derivatives and exposures outstanding at the year-end:

Name	Amount (In Foreign Currency) 31.03.2014	Amount (In Lacs equivalent) 31.03.2014	Amount (In Foreign Currency) 31.03.2013	Amount (In Lacs equivalent) 31.03.2013
Derivatives				
Forward contract	-	-	EURO 4,92,555	345.48
Forward contract	USD 4,00,000	240.44	USD 1,05,679	57.66
Open Exposures				
Receivables	USD 5,28,947	314.56	USD 3,16,798	171.32
Receivables	GBP 11,724	11.58	-	-
Payables	USD 1,99,665	120.02	USD 2,85,932	156.01
Payables	EURO 23,91,988	1,987.74	EURO 22,86,262	1,603.59

(b) The Company uses derivative instruments for hedging and/or reducing finance cost.

Notes to the Balance Sheet and the Statement of Profit and Loss

26.21 PAYMENT TO AUDITORS

Particulars	(₹ in lacs)	
	31.03.2014	31.03.2013
Statutory audit fees	6.75	5.25
Tax audit fees	2.00	1.50
Certification fee	1.25	1.25
Other services	2.85	-
Reimbursement of expenses	0.52	0.73
Total	13.37	8.73

26.22 Trade payables includes acceptance ₹9887.83 lacs (previous year ₹8553.13 lacs)

26.23 A. PURCHASES, STOCKS AND SALES OF TRADING GOODS

Particulars	(₹ in lacs)				
	Tiles	Sanitary ware	CP Fittings	Others	Total
Opening stock	2,799.34	801.78	311.13	103.70	4,015.95
	(2,737.48)	(458.53)	(178.35)	(76.49)	(3,450.84)
Purchases	54,074.14	1,826.51	1,530.28	480.58	57,911.51
	(44,002.57)	(1,701.95)	(892.30)	(398.57)	(46,995.39)
Closing stock	1,474.95	545.27	360.52	112.19	2,492.93
	(2,799.34)	(801.78)	(311.13)	(103.70)	(4,015.95)
Sales	62,461.12	3,049.38	1,904.12	631.93	68,046.55
	(50,582.50)	(2,061.29)	(945.31)	(513.33)	(54,102.42)

Note: Figures in bracket shows previous year figures

B. Raw Material/Packing Material Consumed

Particulars	(₹ in lacs)	
	2013-2014	2012-2013
Clay and minerals	6,387.40	5,700.44
Chemicals and glaze materials	7,572.25	8,021.26
Packing material	3,056.93	2,853.74
Total	17,016.58	16,575.44

Notes to the Balance Sheet and the Statement of Profit and Loss

C. Value of Imported & Indigenous Raw Materials/Packing and Spares Consumed

Particulars	Raw Materials/Packing Material				Stores, Spares among others			
	2013-2014		2012-2013		2013-2014		2012-2013	
	In lacs	%	In lacs	%	In lacs	%	In lacs	%
Imported	422.60	2.48	404.10	2.44	757.72	32.71	907.91	38.21
Indigenous	16,593.98	97.52	16,171.34	97.56	1,559.04	67.29	1,468.21	61.79
Total	17,016.58	100.00	16,575.44	100.00	2,316.76	100.00	2,376.12	100.00

D. Details of Work-in-process

Particulars	(₹ in lacs)	
	2013-2014	2012-2013
Body	21.18	31.84
Glaze	156.01	195.72
Semi finished goods	84.24	111.07
Total	261.43	338.63

E. C.I.F. Value of Imports

Particulars	(₹ in lacs)	
	2013-2014	2012-2013
Raw materials	351.98	335.33
Spare parts	523.04	1,105.78
Capital goods	724.64	1,488.52
Trading goods	1,625.73	2,471.31

F. Expenditure in Foreign Currency

Particulars	(₹ in lacs)	
	2013-2014	2012-2013
Travelling expenses	95.69	55.23
Commission to selling agents	26.72	3.74
Export promotion	8.01	5.60
Exhibition Expenses	42.45	30.51
Others	20.16	17.62

Notes to the Balance Sheet and the Statement of Profit and Loss

G. Earnings in Foreign Currency

Particulars	(₹ in lacs)	
	2013-2014	2012-2013
Exports on FOB basis	2,859.99	2,227.39

- 26.24 A.** (i) In terms of the shareholders agreement, the company has acquired during the year 18.85 lacs numbers of fully paid up equity shares of ₹10 each at the rate of ₹10 per share for aggregating to ₹188.50 lacs which represents 26% equity stake in M/s Vicon Ceramic Pvt. Ltd. (VCPL).
- (ii) In terms of the shareholders agreement, the company has acquired during the year 14.60 lacs numbers of fully paid up equity shares of ₹10 each at the rate of ₹35 per share (including premium of ₹25 per share) for aggregating to ₹511.00 lacs, which represents 26% equity stake in M/s Acer Granito Pvt. Ltd. (AGPL)
- (iii) In terms of the shareholders agreement, the company has acquired during the year 53.04 lacs numbers of fully paid up equity shares of ₹10 each at the rate of ₹10 per share for aggregating to ₹530.40 Lacs, which represents 51% equity stake in M/s Amora Tiles Pvt. Ltd. (ATPL), thereby making the ATPL a subsidiary company of Somany Ceramics Ltd.
- By the above said agreements and supply agreements, the company has right to buy and sell the entire production of tiles of Companies stated about in/under its own brand.
- B.** During the year the company have acquired 30,662 numbers of fully paid up equity shares of ₹10 each of M/s Sonec Sanitary Ware Pvt. Ltd. (SSWL) for ₹18.40 lacs. Further the company have also paid ₹137.60 lacs for acquisition of 2,29,338 numbers fully paid up equity shares of ₹10 each and stated amount paid is shown as advance against Share Application Money under long term loans and advances.

26.25 The previous year's figures have been regrouped, rearranged wherever consider necessary.

As per our report of even date
For **LODHA & CO.**
Chartered Accountants
(ICAI FRN. NO.: 301051E)

N. K. LODHA
Partner
M.NO.85155

Place : New Delhi
Dated : The 26th day of May, 2014

For and on behalf of Board of Directors

Shreekant Somany
Chairman & Managing Director

Abhishek Somany
Joint Managing Director

Ambrish Julka
AGM (Legal) & Company Secretary

Consolidated Financial Statements

Independent Auditors' Report

TO THE BOARD OF DIRECTORS OF SOMANY CERAMICS LIMITED

We have audited the accompanying consolidated financial statements of SOMANY CERAMICS LIMITED, its subsidiaries, joint venture and associates (collectively referred to as "the Group") which comprises the Consolidated Balance Sheet as at 31st March 2014, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial

Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 the financial statements of the subsidiary as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:-

- (a) In the case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- (b) In the case of Consolidated Statement of Profit & Loss, of the Profit of the Group for the year ended on that date; and
- (c) In the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter:

We have relied on the unaudited financial statements of a Joint Venture wherein the Company's share of losses aggregate to ₹86.52 Lacs. These financial statements have been certified by Management and furnished to us (read with note no. 26.11), and in our opinion, insofar as it relates to the amounts included in respect of a Joint Venture, are based solely on the these certified financial statements.

Other Matters

- (a) Financial Statements of a subsidiary company namely Somany Global Ltd. (formerly known as Somany Retail Ltd.) , whose financial statements reflect total assets of ₹83.03 Lacs as at 31st March 2014 and total revenues of ₹398.35 Lacs and net Cash Flow of amounting to ₹23.90 Lacs for the year then ended, have been audited by us.
- (b) We did not audit the financial statements of a subsidiary namely SR Continental Ltd. and Amora Tiles Pvt. Ltd., whose financial statements reflect total assets of ₹1221.09 Lacs as at 31st March 2014 and total revenues of ₹761.70 Lacs and net cash flows amounting to ₹106.54 Lacs for the year then ended. These financial statements have been audited by other auditors, whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditor.
- (c) We did not audit the financial statements of Associates namely Vicon Ceramics Pvt. Ltd., Vintage Tiles Pvt. Ltd., Commander Vitrified Pvt. Ltd. & Acer Granito Pvt. Ltd. whose financial statements reflect total assets of ₹20,261.20 Lacs as at 31st March 2014 and total revenues of ₹22,996.37 Lacs and net cash flows amounting to ₹380.93 Lacs for the year then ended. These financial statements have been audited by other auditors, whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of these Associates, are based solely on the report of the other auditor.

For LODHA & CO.,
Chartered Accountants
Firm Registration Number: 301051E

N.K. LODHA
(Partner)

Place : New Delhi
Date : The 26th day of May, 2014

Membership No: 85155

Consolidated Balance Sheet as at 31st March, 2014

(₹ in lacs)			
Particulars	Note No.	31.03.2014	31.03.2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	776.90	689.94
Reserves & Surplus	3	21,569.46	14,614.85
		22,346.36	15,304.79
Minority Interest		444.46	-
Non- current Liabilities			
Long term Borrowings	4	7,079.48	6,157.84
Deffered Tax Liabilities (Net)		2,837.97	2,619.09
Other Long-term Liabilities	5	1,784.33	1,421.11
Long-term Provisions	6	305.51	249.27
		12,007.29	10,447.31
Current Liabilities			
Short-term Borrowings	7	7,644.83	8,015.86
Trade Payables		17,826.64	16,123.73
Other Current Liabilities	8	6,966.57	6,348.70
Short-term Provisions	9	7,471.67	5,869.67
		39,909.71	36,357.96
Total		74,707.82	62,110.06
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	10	23,884.52	19,905.40
Intangible Assets	10	170.09	80.80
Capital work-in-Progress		292.78	937.97
Non-current Investments	11	1,765.39	867.05
Long-term Loans and Advances	12	1,589.17	414.59
		27,701.95	22,205.81
Current Assets			
Current Investment	13	3,710.00	-
Inventories	14	9,061.70	12,049.81
Trade Receivables	15	21,492.67	17,474.99
Cash and Bank Balances	16	3,456.24	2,580.15
Short-Term Loans and Advances	17	9,079.54	7,717.71
Other Current Assets	18	205.72	81.59
		47,005.87	39,904.25
Total		74,707.82	62,110.06
Significant Accounting Policies	1		
Explanatory Notes	26		
The accompanying Notes are an integral part of the Financial Statements.			

As per our report of even date
For **LODHA & CO.**

Chartered Accountants
(ICAI FRN. NO.: 301051E)

N. K. LODHA
Partner
M.NO.85155

Place : New Delhi
Dated : The 26th day of May, 2014

For and on behalf of Board of Directors

Shreekant Somany
Chairman & Managing Director

Abhishek Somany
Joint Managing Director

Ambrish Julka
AGM (Legal) & Company Secretary

Consolidated Statement of Profit & Loss for the year ended 31st March, 2014

Particulars	Note No.	31.03.2014	31.03.2013
(₹ in lacs)			
Revenue from Operations	19	1,26,291.48	1,05,386.96
Other Income	20	308.24	258.76
Total Revenue		1,26,599.72	1,05,645.72
Expenses:			
Cost of Materials Consumed	21	17,317.95	16,463.60
Purchases of Stock-in-Trade		58,132.17	47,237.94
Change in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	22	2,666.85	(1,602.92)
Employee Benefit Expense	23	8,319.60	7,457.31
Finance Costs	24	1,852.20	1,997.49
Depreciation and Amortization Expense	10	2,242.54	2,050.46
Other Expenses	25	31,716.52	27,259.65
Total Expenses		1,22,247.83	1,00,863.53
Profit before tax		4,351.89	4,782.19
Tax Expense:			
(1) Current tax		1,479.60	1,439.50
(2) Deferred tax charges/credit		218.88	81.38
(3) Tax for Earlier Year		1.29	3.64
Profit After Tax		2,652.12	3,257.67
Share in Profit of Associate		169.76	(57.01)
Profit after tax (including associate)		2,821.88	3,200.66
Minority Interest		(65.14)	-
Profit after tax and minority interest		2,887.02	3,200.66
Earnings per Equity Share (₹)			
Basic		8.25	9.28
Diluted		8.25	9.28
(Refer Note No.26.6)			
Significant Accounting Policies	1		
Explanatory Notes	26		
The accompanying Notes are an integral part of the Financial Statements.			

As per our report of even date
For **LODHA & CO.**
Chartered Accountants
(ICAI FRN. NO.: 301051E)

N. K. LODHA
Partner
M.NO.85155

Place : New Delhi

Dated : The 26th day of May, 2014

For and on behalf of Board of Directors

Shreekant Somany
Chairman & Managing Director

Abhishek Somany
Joint Managing Director

Amrish Julka
AGM (Legal) & Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2014

	(₹ in lacs)	
	31.03.2014	31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT / (LOSS) BEFORE TAX & EXCEPTIONAL ITEMS	4,351.89	4,782.19
I. ADJUSTED FOR:		
Depreciation & Amortisation Expense	2,242.54	2,050.46
Interest and Finance Charges	1,852.20	1,997.49
Interest Received	(215.01)	(156.71)
Dividend Income	(0.07)	(4.80)
Unrealized Foreign Exchange (Gain)/Loss (Net)	11.94	(18.93)
Profit on Sale of Investment (Net)	(41.07)	(2.75)
Diminution in the value of Investment (net)	0.79	-
Provision for Doubtful Debts (net of write back)	26.16	(0.43)
Bad Debts	0.63	0.43
Liabilities/Provision no longer required written back (net)	(9.70)	(94.53)
Sundry Balances written off / (back) (net)	(15.22)	9.46
(Profit) / Loss on sale / Discard of Fixed Assets/ Assets written off (net)	185.04	50.50
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	8,390.12	8,612.38
II. ADJUSTED FOR:		
Trade & Other Receivable	(5,089.68)	(3,490.74)
Inventories	2,988.11	(1,993.24)
Trade & Other Payable	2,436.60	5,494.80
Cash Generated from Operation	8,725.15	8,623.20
Income Taxes Refund / (paid)	(1,340.53)	(1,551.88)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	7,384.62	7,071.32
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,992.64)	(3,812.49)
Sale of Fixed Assets	98.31	42.41
Purchase of Short Term Investment	(5,075.80)	-
Purchase of Long Term Investment	(817.76)	(328.10)
Sale of Short Term Investment	1,349.32	-
Sale of Long Term Investment	100.82	3.11
Share Application Advance	(137.60)	-
Interest Income	109.41	143.43
TDS on Interest	(22.06)	(12.83)
Dividend Income	0.07	4.80
NET CASH OUTFLOW FROM INVESTING ACTIVITIES (B)	(10,387.93)	(3,959.67)

Consolidated Cash Flow Statement for the year ended 31st March, 2014

	(₹ in lacs)	
	31.03.2014	31.03.2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Loans raised during the year	3,285.75	1,827.69
Repayment of Long Term Loans	(2,309.42)	(1,936.73)
Proceed from issue of Share Capital	596.56	-
Security Premium (Net of Share Issue Expenses)	4,767.10	-
Increase / (Decrease) in Short Term Loans	(138.64)	(305.70)
Interest Paid	(1,841.68)	(2,021.98)
Dividend Paid	(480.27)	(317.74)
NET CASH INFLOW FROM FINANCING ACTIVITIES (C)	3,879.40	(2,754.46)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	876.09	357.19
CASH AND CASH EQUIVALENT		
Opening		
Cash & Cash Equivalent	1,750.44	1,448.57
Other Bank Balances	829.71	774.39
	2,580.15	2,222.96
Closing		
Cash & Cash Equivalent	2,869.50	1,750.44
Other Bank Balances	586.74	829.71
	3,456.24	2,580.15
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	876.09	357.19

Notes :

- a) Cash & Cash Equivalents represents cash and bank balances. (Note No.16)
 b) Figures for the previous year have been regrouped/rearranged wherever considered necessary.

As per our report of even date
 For **LODHA & CO.**
 Chartered Accountants
 (ICAI FRN. NO.: 301051E)

N. K. LODHA
 Partner
 M.NO.85155

Place : New Delhi
 Dated : The 26th day of May, 2014

For and on behalf of Board of Directors

Shreekant Somany
 Chairman & Managing Director

Abhishek Somany
 Joint Managing Director

Ambrish Julka
 AGM (Legal) & Company Secretary

Notes to the Consolidated Financial Statements

of Somany Ceramics Limited, it's Subsidiaries, Joint Venture and Associates for the year ended 31st March, 2014

NOTE 1 1. PRINCIPLES OF CONSOLIDATION

- 1.1 The financial statements of the parent company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions resulting in unrealized profits or losses, if any, as per Accounting Standard (AS) 21, "Consolidated Financial Statements", notified under Companies (Accounting Standards) Rules, 2006. Interest in assets, liabilities, income and expenses of the Joint Venture Company have been consolidated using proportionate consolidation method. Intra Group balances, transactions and unrealized profits/losses have been eliminated to the extent of parent company's proportionate shares as per Accounting Standard-27, Financial Reporting of Interests in Joint Ventures, notified under Companies (Accounting Standards) Rules, 2006. Investments in associates & share in profits/losses in associate after eliminating intra group transactions resulting in unrealized profits or losses if any, as per accounting standard-23, Accounting for Investment in Associates in Consolidated Financial Statement notified under Companies (Accounting Standards) Rules, 2006.
- 1.2 The consolidated financial statements include the accounts of Somany Ceramics Limited (Parent Company), its subsidiaries, Joint Venture and associates as detailed below:

Name	Nature	Country of Incorporation	% of Shareholding & voting power
SR Continental Ltd.	Subsidiary	India	100%
Somany Global Ltd.	Subsidiary	India	100%
Amora Tiles Pvt.Ltd.	Subsidiary	India	51%
Somany Keraben Pvt. Ltd.	Joint Venture	India	50%
Vintage Tiles Pvt. Ltd.	Associate	India	26%
Commander Vitrified Pvt. Ltd.	Associate	India	26%
Vicon Ceramics Pvt. Ltd.	Associate	India	26%
Acer Granito Pvt. Ltd.	Associate	India	26%

- 1.3 All intra group balances and intra group transactions resulting into unrealized profits / losses are eliminated in full on consolidation.

Notes to the Consolidated Balance Sheet

	(₹ in lacs)				
	31.03.2014		31.03.2013		
NOTE 2 SHARE CAPITAL					
Authorised					
Equity Shares 12,50,00,000 (Previous year 12,50,00,000) of ₹2 /-each		2,500.00		2,500.00	
Issued, Subscribed and Paid up					
Equity Shares 3,88,44,826(previous year 3,44,97,000) of ₹2/- each fully paid up		776.90		689.94	
		776.90		689.94	
Notes :					
(a) (i) Reconciliation of Equity Share Capital (In numbers)					
Shares outstanding at the beginning of the year		3,44,97,000		3,44,97,000	
Add : Shares issued during the year * (Refer Note no 26.4)		43,47,826		-	
Less : Shares bought back during the year		-		-	
Shares outstanding at the end of the year		3,88,44,826		3,44,97,000	
*During the year company has issued 43,47,826 equity shares @₹115/-each (including Premium ₹113/-)					
(b) (i) Equity Shares:					
The Company has only one class of Equity Shares having face value of ₹2/- each and each shareholder is entitled to one vote per share. Each shareholders have the right in profit / surplus in proportion to amount paid up with respect to share holder. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, in proportionate to their individual shareholding in the paid up equity capital of the the company.					
(c) List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)					
i) Bhilwara Holding Limited		90,09,840		90,09,840	
ii) Sarvottam Vanijay Limited		62,12,980		62,12,980	
iii) Scope Vinimoy Private Limited		34,91,075		34,91,075	
iv) Latinia Limited		43,47,826		-	
		2,30,61,721		1,87,13,895	
	2012-13	2011-12	2010-11	2009-10	2008-09
(d) Details of Allotment/Buy Back of Shares during the period of 5 years immediately preceding the reporting date	NIL	NIL	NIL	NIL	NIL

Notes to the Consolidated Balance Sheet

	(₹ in lacs)	
	31.03.2014	31.03.2013
NOTE 3 RESERVES AND SURPLUS		
Capital Reserve		
Balance at the Beginning of the Year	45.00	45.00
Addition/Transfer During the Year	-	-
Closing Balance	45.00	45.00
Capital Redemption Reserve		
Balance at the Beginning of the Year	0.03	0.03
Addition/Transfer During the Year	-	-
Closing Balance	0.03	0.03
Security Premium Reserve		
Balance at the beginning of the year	-	-
Premium on allotment of equity shares	4913.04	-
Less:-Share Issue Expenses (Refer note no 26.4)	145.94	-
Closing balance	4767.10	-
General Reserve		
Balance at the Beginning of the Year	3978.87	3658.87
Addition During the Year	300.00	320.00
Closing Balance	4278.87	3978.87
Surplus in Statement of Profit & Loss Account		
Balance at the Beginning of the Year (Refer note no 26.13)	10573.14	8194.60
Net Profit for the Current Year	2887.02	3200.66
Amount Available for Appropriation	13460.16	11395.26
Less:- Appropriation:		
Transfer to General reserve:	300.00	320.00
Proposed Dividend	582.67	413.96
Corporate Dividend Tax	99.03	70.35
Closing Balance	12478.46	10590.95
Total of Reserves & Surplus	21569.46	14614.85

Notes to the Consolidated Balance Sheet

	(₹ in lacs)	
	31.03.2014	31.03.2013
NOTE 4 LONG-TERM BORROWINGS		
Secured		
Term Loans		
- From Banks	6,736.09	5,493.44
- From Others	975.00	1,275.00
Car Loans		
- From Banks	390.95	231.61
- From Others	80.12	128.68
Deferred Payment Liabilities	1,013.86	1,095.76
Unsecured		
- From Others	228.85	-
	9,424.87	8,224.49
Less: Current Maturities of Long Term Borrowings		
Term loans		
- From Banks	1,880.00	1,629.08
- From Others	300.00	300.00
Car Loans		
- From Banks	127.04	80.16
- From others	38.35	47.02
Deferred Payment Liabilities	-	10.39
	2,345.39	2,066.65
	7,079.48	6,157.84

NOTES

- Rupee Loan of ₹Nil (Previous Year ₹164.71 Lacs) from a Bank is secured by first charge by way of hypothecation of all movable assets and mortgage of all immovable properties of the Company, both present and future, excluding assets exclusively charged and subject to prior charges created and/or to be created in favour of Company's Bankers on the stock of raw materials, finished and semi-finished goods, consumable stores and such other movables, for securing the borrowings for working capital requirements in the ordinary course of business. Above mortgages and charges shall rank pari-passu with other Banks/Others.
- Rupee loan of ₹Nil (Previous Year ₹404.76 Lacs) from a Bank is secured by first exclusive charge by way of hypothecation of machinery, equipment and other fixed assets purchased/ to be purchased out of the said loan.
- Rupee loan of ₹1773.75 Lacs (Previous year ₹2303.92 Lacs) from a Bank and Deferred Suppliers Credit ₹Nil (Previous year ₹ 42.57 Lacs) (Equivalent Euro Nil Lacs, Previous year Euro 0.61 Lacs) is secured by first exclusive charge by way of hypothecation of machinery, equipment and other fixed assets purchased/ to be purchased out of the said loan. The aforesaid loans are repayable in 8 quarterly installments starting from April 2014.
- Rupee loan of ₹1142.00 Lacs (Previous Year ₹Nil Lacs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable assets of the Company, excluding assets exclusively charged to other Banks and are repayable in 20 equal quarterly installments from June 2015
- Rupee loan of ₹600.00 Lacs (Previous year Rs 900.00 Lacs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable assets and mortgage of all immovable properties of the Company, both present and future, excluding assets exclusively charged to other Banks and are repayable in 8 equal quarterly installments from April 2014.
- Rupee loan of ₹975.00 Lacs (Previous Year ₹1275.00Lacs) from Others is secured by first pari passu charge on all fixed assets of the company except specifically charged and Government Land at Kassar/Kadi and are repayable in 13 equal quarterly installments from June 2014.
- Rupee Loan of ₹1938.91 Lacs (Previous Year ₹1720.05 Lacs) from a Bank and Deferred Suppliers credit of ₹1013.86 Lacs (Previous year Rs 1053.19 lacs) {Equivalent Euro 12.20 lacs, previous year Euro 15.02 lacs} is secured by first pari passu charge by way of hypothecation of Plant & Machinery and other movable fixed assets of the company situated at Kassar and Kadi excluding those exclusively charged to other Banks and second pari- passu on current assets of the company both present and future and are repayable in 16 quarterly installments starting from June-2014.
- Rupee Loan of ₹1281.43 (Previous Year Nil) of a subsidiary company from a Bank is secured by equitable mortgage of factory land, plant and machinery and hypothecation of all movable assets, both present and future and personal guarantee of individuals and repayable in 72 monthly installment starting from October 2014.
- Car loan from Banks and others are secured by hypothecation of cars purchased there under are repayable in monthly installment over the period of loan.
- Unsecured Loan from others in a subsidiary company.

Notes to the Consolidated Balance Sheet

	(₹ in lacs)	
	31.03.2014	31.03.2013
NOTE 5 OTHER LONG TERM LIABILITIES		
Trade Deposit	1,127.10	1,008.68
Security Deposit (Refer note no 26.3)	685.04	411.22
Others	-	1.21
	1,812.14	1,421.11
Less:-Current Maturities	27.81	-
	1,784.33	1,421.11
NOTE 6 LONG-TERM PROVISIONS		
Employee Benefit	305.51	249.27
	305.51	249.27
NOTE 7 SHORT-TERM BORROWINGS		
Secured Loans:		
Working Capital Facilities from Banks		
Working Capital Demand Loans	800.00	2060.00
Cash Credit	5,816.31	5,260.40
Buyer's Import Credit	968.52	695.46
Unsecured Loans:		
From Body Corporate (Repayable on demand)	60.00	-
	7,644.83	8,015.86
1 Working Capital demand loans of ₹800 lacs, cash credit of ₹5453.75 lacs and Buyer's Import Credit of ₹968.52 lacs are secured as under:		
i. First charge by way of hypothecation of stocks of raw materials, finished goods and stock in process, stores & spares and book debts and ranking pari-passu and		
ii. Second and subservient charge by way of Equitable Mortgage on all other assets, both present and future, of the company, both movable and immovable & ranking pari-passu, excluding assets exclusively charged. Charge over land exchanged of about 3 acers at Kassar is to be created.		
2. Cash Credit of ₹290.47 lacs with respect to a statutory Company is secured as under:		
Hypothecation of stock, receivable and all other present, future and current assets of the Company and further secured by collateral security of all plants and machineries and fixed assets of the Company (present and future) and personal guarantee of individual.		
3. Cash Credit of ₹72.09 lacs with respect to an other subsidiary Company is secured as under:		
Hypothecation of raw material, stock in process, finished goods & all other inventories and book debts and further secured by collateral security of block assets.		
NOTE 8 OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Borrowings	2,345.39	2,066.65
Interest Accrued But not Due on Borrowings	10.73	4.47
Interest Accrued and Due on Borrowings	39.23	30.58
Statutory Dues	1,137.57	1,191.43
Capital Creditors	183.24	200.84
Security Deposit	96.73	126.19
Advance from Customers	619.84	679.32
Unclaimed Dividends#	13.75	9.70
Other Liability	2,520.09	2,039.52
	6,966.57	6,348.70

Investor Education & Protection Fund shall be credited when due.

Notes to the Consolidated Balance Sheet

	(₹ in lacs)	
	31.03.2014	31.03.2013
NOTE 9 SHORT TERM PROVISION		
Proposed Dividend	582.67	413.96
Corporate Dividend Tax	99.03	70.35
Income Tax	6,594.39	5,139.45
Fringe Benefit Tax	153.50	153.50
Employees Benefits	42.08	92.41
	7,471.67	5,869.67

NOTE 10 FIXED ASSETS

Particulars	GROSS CARRYING VALUE				DEPRECIATION				NET CARRYING VALUE	
	Book Value at 01.04.2013	Additions	Deductions/ Adjustments	Book Value at 31.03.2014	Up to 31.03.2013	For the year	Written Back / Adjustments	Up to 31.03.2014	As on 31.03.2014	As on 31.03.2013
TANGIBLE ASSETS										
1. (a) Freehold Land	399.26	400.65@	-	799.91	-	-	-	-	799.91	399.26
(b) Leasehold Land	116.09	-	-	116.09	10.95	1.31	-	12.26	103.83	105.14
2. Buildings	5,408.12	925.96	46.27	6,287.81	2,214.53	216.98	46.27	2,385.24	3,902.57	3,193.59
3. Plant & Equipment	31,641.06	4,575.02	1,859.84	34,356.24	16,811.28	1,607.54	1,630.91	16,787.91	17,568.33	14,829.78
4. Furniture & Fixtures #	1,298.98	153.22	106.65	1,345.55	709.99	141.47	102.54	748.92	596.63	588.99
5. Office Equipments #	494.13	49.75	34.70	509.18	242.73	53.10	31.92	263.91	245.27	251.40
6. Vehicles	1,013.72	351.58	153.09	1,212.21	476.48	173.32	105.57	544.23	667.98	537.24
Sub Total (A)	40,371.36	6,456.18	2,200.55	44,626.99	20,465.96	2,193.72	1,917.21	20,742.47	23,884.52	19,905.40
Previous year	38,347.52	2,991.90	968.06	40,371.36	19,312.11	2,029.01	875.16	20,465.96		
INTANGIBLE ASSETS										
Computer Software	169.11	138.11	-	307.22	88.31	48.82	-	137.13	170.09	80.80
Sub Total (B)	169.11	138.11	-	307.22	88.31	48.82	-	137.13	170.09	80.80
Previous year	142.24	26.87	-	169.11	66.86	21.45	-	88.31		
Total's (A+B) Current Year	40,540.47	6,594.29	2,200.55	44,934.21	20,554.27	2,242.54	1,917.21	20,879.60	24,054.61	19,986.20
Previous year	38,489.76	3,018.77	968.06	40,540.47	19,378.97	2,050.46	875.16	20,554.27		

(@ ₹183.13 Lacs paid on exchange of partial of Land under an agreement)

Regrouped during the year

Note

- Plant and equipment includes Machinery Gross ₹62.29 Lacs (previous year ₹62.29 Lacs) lying with third parties, pending confirmation. [Note No. 26.3]
- Furniture & Fixtures includes certain expenditure on lease hold premises Gross ₹359.01 Lacs WDV ₹183.78 Lacs (Previous Year Gross ₹324.93 Lacs WDV ₹192.77 Lacs) which are amortised over the useful life of the respective assets.
- Addition to Plant & equipments includes foreign exchange loss amounting to ₹239.91 Lacs capitalised (Previous year ₹89.84 Lacs)

Notes to the Consolidated Balance Sheet

	(₹ in lacs)	
	31.03.2014	31.03.2013
NOTE 11 NON-CURRENT INVESTMENTS		
Long term Investments (At cost)		
Trade- Investment in Equity Shares		
A) Unquoted, fully paid up shares		
Subsidiary Companies		
(a) 1,85,000 Equity Shares (Previous year 1,85,000) of ₹10/- each of SR Continental Limited (including 7 Equity Shares of ₹10/- each fully paid up held in the name of nominees)	-	-
(b) 5,00,000 Equity Shares (Previous year 5,00,000) of ₹10/- each of Somany Global Ltd.	-	-
(c) 53,04,000 Equity Shares (Previous year Nil) of ₹10/- each of Amora Tiles Pvt Ltd.	-	-
Joint Venture Companies		
7,73,000 Equity Shares (Previous year 7,73,000) of ₹10/- each of Somany Keraben Pvt Ltd.	-	-
Associate Companies		
(a) 23,40,000 Equity Shares (Previous year 23,40,000) of ₹10/- each of Vintage Tiles Pvt Ltd.		
Cost of Investment:	503.10	
Add: Share in profit of associate	110.81	613.91
(b) 32,50,000 Equity Shares (Previous year 32,50,000) of ₹10/- each of Commander Vitrified Pvt Ltd.		
Cost of Investment:	325.00	
Add: Share in profit of associate	43.46	368.46
(c) 18,85,000 Equity Shares (Previous year Nil) of ₹10/- each of Vicon Ceramics Pvt Ltd.		
Cost of Investment:	188.50	
Add: Share in profit of associate	-1.90	186.60
(d) 14,60,000 Equity Shares (Previous year Nil) of ₹10/- each of Acer Granito Pvt Ltd.		
Cost of Investment:	511.00	
Add: Share in profit of associate	17.39	528.39
Others		
30,662 Equity Shares (Previous year Nil) of ₹10/- each of Sonec Sanitaryware Pvt Ltd.	18.40	-
	1,715.76	771.09
B) Quoted, fully paid up (Others)		
(a) 2,00,000 Equity Shares (Previous year 2,00,000) of ₹4/- each of Schablona India Ltd.	23.91	23.91
(b) 250 Equity Shares (Previous year 2,250) of ₹10 each of Orient Ceramics & Industries Ltd. (Including Bonus shares)	0.02	0.22
	23.93	24.13
Non Trade others-Quoted		
(a) 110 Equity Shares (Previous year 110) of ₹10/- each of Punjab National Bank Ltd.	0.43	0.43
(b) 66,698 Equity Shares (Previous year 66,698) of ₹10/-each of Soma Textile & Industries Ltd.	11.06	11.06
(c) 19,500 Equity Shares (Previous year 19,500) of ₹10/- each of Bhilware Holding Ltd.	3.94	3.94
	15.43	15.43
	1,755.12	810.65
Less: Provision for diminution in value of investment	89.59	11.50
	1,665.53	799.15
In Mutual Fund		
3,95,163.795 No(Previous year 38,698.11) HDFC Mutual Fund	99.86	67.90
	1,765.39	867.05
Aggregated Book Value of Quoted Investment	39.36	39.56
Market value of Quoted Investments	74.56	129.34
Aggregated Book Value of Unquoted Investment	1,815.62	838.99
NAV of Mutual Fund	100.02	86.09
Aggregated provision for diminution in value of investment	89.59	11.50

Notes to the Consolidated Balance Sheet

	(₹ in lacs)	
	31.03.2014	31.03.2013
NOTE 12 LONG TERM LOAN AND ADVANCES		
(Unsecured, Considered Good Unless Stated Otherwise)		
Deposits		
- With Government Authorities	124.28	89.62
- With Related Parties	922.50	-
- With Others	280.39	214.70
Prepaid Expenses	4.92	4.71
Capital Advance	108.32	82.39
Inter Corporate Deposit with others	-	7.50
Others	11.16	15.67
Advance against Share Application Money {Refer Note no 26.15(b)}	137.60	-
	1,589.17	414.59
NOTE 13 CURRENT INVESTMENTS		
(valued at lower of cost and quoted / fair value)		
Unquoted		
Trade deposit in bonds		
100 Unit (Previous year Nil) RRBPNL 2026	1,000.00	-
66 Unit (Previous year Nil) TGDC 2024	660.00	-
50,000 Unit (Previous Year Nil) 11.50% SREINFRAFI 2019	500.00	-
50,000 Unit (Previous Year Nil)11.75% SREINFRAFI 2019	500.00	-
Quoted		
Trade investment in mutual fund		
10,678.004 Unit (Previous Year Nil) SBI MAGNUM-GROWTH	300.00	-
2,27,899.191 Unit (Previous Year Nil) ICICI MONEY MARKET-GROWTH	400.00	-
17,55,679.624 Unit SBI MAGNUM (Previous Year Nil) INCOME FR-SPB-RP-GROWTH	350.00	-
	3,710.00	-
Less:-Provision for diminution in value of investment	-	-
	3,710.00	-
Aggregate book value of quoted investments	1,050.00	-
Aggregate market value of quoted investments	1,057.05	-
Aggregate book value of unquoted investments	2,660.00	-
Aggregate market value of unquoted investments*	2,660.00	-

*As the market value of the Bonds is not available, purchase value is considered as market value.

Notes to the Consolidated Balance Sheet

	(₹ in lacs)	
	31.03.2014	31.03.2013
NOTE 14 INVENTORIES		
(Valued at lower of cost and net realisable Value)		
(As taken , valued and certified by the management)		
Raw Materials & Packing Material	1,303.94	1,159.03
(Including Goods in transit ₹2.17 Lacs, Previous Year ₹29.08 Lacs)		
Work -in-Process	318.23	359.82
Finished Goods	3,360.70	4,731.43
Stock in Trade	2,498.73	4,116.27
(Including Goods in transit ₹10.76 Lacs Previous Year ₹204.42 Lacs)		
Stores and Spares	1,580.10	1,683.26
(Including Goods in transit ₹Nil, Previous Year ₹10.56 Lacs)		
	9,061.70	1,2049.81
NOTE 15 TRADE RECEIVABLES		
(Unsecured, Considered Good Unless Stated Otherwise)		
Exceeding Six month from Due Date		
i) Good	695.50	588.11
II) Doubtful	165.71	140.01
	861.21	728.12
Less: Provision for Doubtful Debt	165.71	140.01
	695.50	588.11
Others	20,797.17	16,886.88
	21,492.67	17,474.99
NOTE 16 CASH & BANK BALANCES		
Cash & Cash Equivalents (As certified by the management)		
Cash in Hand	35.21	10.46
Draft / Cheque in Hand	0.19	3.25
Balance with Banks :		
Current Accounts	1,668.01	1,736.73
Bank Deposit with maturity of 3 months or less	1,166.09	0.00
Earmarked balance with banks		
Bank Deposit	133.49	138.67
Unclaimed Dividend Accounts	13.75	9.70
Other Bank Balance		
Fixed Deposits held as Margin Money with Banks/ Financial institutions	439.50	681.34
	3,456.24	2,580.15

Notes to the Consolidated Balance Sheet & Statement of Profit & Loss

	31.03.2014	31.03.2013
(₹ in lacs)		
NOTE 17 SHORT TERM LOANS AND ADVANCES		
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposits With Others	7.50	18.00
Advance Income Tax / Tax deducted at source	6,801.49	5,465.24
Balance with Government Authorities	1,217.32	1,328.43
Deposit with Others	22.83	41.41
Prepaid Expenses	145.78	166.66
Other Advances	884.62	697.97
	9,079.54	7,717.71
NOTE 18 OTHER CURRENT ASSETS		
Accrued Interest	146.86	16.43
Export Incentive Receivable	49.94	52.80
Derivative Financial Assets	8.92	12.36
	205.72	81.59
NOTE 19 REVENUE FROM OPERATIONS		
Sales of manufactured goods (tiles)	64,228.06	56,748.70
Sales of Colours/Refractory	102.46	107.79
Sales of Traded Goods	68,441.13	54,418.52
Sales of Body Clay	62.77	-
Other Operating Revenue		
Scrap Sales	235.96	218.92
Liabilities No Longer Required Written Back (Net)	9.70	17.23
Sundry Balance Written Back (Net)	21.09	1.54
Provision for Doubtful Debt Written back	1.79	0.43
Income from Service	92.37	-
Insurance Claim Recd	130.57	156.03
	1,33,325.90	1,11,669.16
Less: Excise Duty	7034.42	6282.20
	1,26,291.48	1,05,386.96
NOTE 20 OTHER INCOME		
Interest Received	215.01	156.71
Dividend on long term Investments	0.07	4.80
Rent and Lease Rent Received	1.22	0.64
Profit on Sale of Fixed assets	33.26	8.36
Profit on Sale of Short Term Investment	8.34	-
Profit on Sale of Long Term Investment	32.73	2.75
Miscellaneous Receipts	17.61	85.50
	308.24	258.76

Notes to the Consolidated Statement of Profit & Loss

	(₹ in lacs)	
	31.03.2014	31.03.2013
NOTE 21 COST OF MATERIALS CONSUMED		
Raw Material Consumed	14,259.01	13,608.18
Packing Material Consumed	3,058.94	2,855.42
	17,317.95	16,463.60
NOTE 22 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Closing Stock*		
Finished Goods	3,360.70	4,731.43
Stock-in-Trade	2,487.97	3,911.85
Total Finished Goods	5,848.67	8,643.28
Work-in-Process	318.23	359.82
	6,166.90	9,003.10
Less: Opening Stock*		
Finished Goods	4,731.43	3,461.06
Stock-in-Trade	3,911.85	3,560.29
Total Finished Goods	8,643.28	7,021.35
Work-in-Process	359.82	302.22
	9,003.10	7,323.57
(Increase)/Decrease in Stock	2,836.20	(1,679.53)
Add / (Less): (Increase) / Decrease in Excise duty on Stock	169.35	(76.61)
	2,666.85	(1,602.92)
*Excluding Goods in Transit		
NOTE 23 EMPLOYEE BENEFIT EXPENSE		
Salary, Wages, Bonus etc.	7,547.07	6,754.37
Contribution to Provident Fund and Other Funds	404.11	423.45
Workmen & Staff Welfare	368.42	279.49
	8,319.60	7,457.31
NOTE 24 FINANCE COST		
Interest	1,751.49	1,866.80
Other Borrowing Cost	100.71	104.59
Applicable Net Loss on Foreign Currency Transactions/ Translation	-	26.10
	1,852.20	1,997.49

Notes to the Consolidated Statement of Profit & Loss

	(₹ in lacs)	
	31.03.2014	31.03.2013
NOTE 25 OTHER EXPENSES		
Stores and Spare Parts Consumed	2,292.86	2,388.76
Power & Fuel	16,537.24	13,105.67
Repairs and Maintainance:		
Buildings	110.64	172.82
Plant & Machinery	187.45	155.52
Others	111.21	105.64
Rent	493.46	513.37
Rates & Taxes	178.99	130.12
Insurance	57.62	48.07
Travelling & Conveyance Expenses	1,117.22	869.86
Exchange Rate Difference (Net)	194.45	27.78
Directors' Fees	5.65	5.00
Non Executive directors' Commission	30.58	30.00
Selling & Distribution Expenses	2,508.89	2,798.21
Discount	1,367.26	1,099.98
Freight Outward and Handling Charges	2,848.27	2,802.07
Advertisement & Sales Promotion Expenses	1,961.01	1,519.23
Commission to Agents	305.74	198.06
Provision for Doubtful Debts	27.95	-
Bad Debts	0.63	0.43
Provision for Diminution in Value of Long Term Investment	0.79	-
Prior Period Adjustment(Net)	1.06	0.40
Sundry Balances Written Off	5.87	11.00
Legal & Professional Expenses	227.79	292.20
Loss on sale of Fixed Assets	52.22	22.82
Fixed Assets Discard /Written Off	166.08	36.04
Other Expenses	925.59	926.60
	31,716.52	27,259.65

Notes to the Consolidated Balance Sheet & Statement of Profit & Loss

NOTE 26 EXPLANATORY NOTES

26.1 Contingent Liabilities and Commitments (to the extent not provided for):

(As certified by the Management)

		(₹ in lacs)	
S. No.	Particulars	31.03.2014	31.03.2013
(A)	(i) Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances]	712.31	652.97
	(ii) Contingent liabilities not provided for in respect of: (As certified by the Management)		
	a) Claims and other demands against the Company not acknowledged as debts.	204.01	127.00
	b) Sales tax and purchase tax demands, among others against which the Company has preferred appeals.	247.09	254.97
	c) Excise and custom duty (excluding interest and penalty) and service tax demands and show-cause notices issued against which the Company/Department has preferred appeals/filed replies.	353.39	353.39
	d) Disputed income tax and wealth tax demand (excluding penalty if any)	196.51	230.20
	e) Against the imposition of Local Area Development Tax (LADT) levied by Haryana Government, the Hon'ble Supreme Court of India vide its order dated 10th May, 2006 has accepted the Company's application for stay. Further, Hon'ble Supreme Court vide their order dated 30th October, 2009 stated the assessee to file the LADT returns; however, no recovery of tax will be made till further order. In the meantime, the Haryana Government has repealed the LADT Act and introduced another Act by the name of 'Entry Tax' on the same line, which was also been held ultra vires by the Hon'ble Punjab and Haryana High court. Pending the final Order of the Hon'ble Supreme Court on the above matter And there is no Act either LADT/Entry Tax prevalent in Haryana, no provision for the same is considered necessary by the Company for the period from 1st April, 2006.	603.30	517.82
	(iii) Bond executed in favour of sales tax/custom authorities.	25.00	25.00
	(iv) Custom duty, which may arise if obligation for exports is not fulfilled against import for capital under EPCG.	-	3,662.65
(B)	Outstanding Corporate Guarantee to banks in respect of various fund / non fund based facilities extended to other body corporates	1,230.00	1,230.00

26.2 In the previous year, a demand of ₹925.65 lacs (including interest of ₹97.41 lacs) for difference between market rate (Non APM) and contracted price (APM) of gas for the period from 1st July, 2005 to 31st March, 2010 has been raised by GAIL (India) Ltd. After considering further debit notes on account of interest / bank charges for the post periods, the total demand increased to ₹1080.21 lacs (including interest of ₹251.98 lacs) as on 31st March 2014. The Company along with others filed a Special Civil Application (SCA) which was admitted by the Hon'ble Gujarat High Court on submission of bank guarantee of ₹118 lacs. Pending decision / further direction, no provision in this regard is considered necessary by the Company.

26.3 Other long-term liabilities include encashment of bank guarantee in earlier years amounting to ₹202.50 lacs (previous year ₹202.50 lacs) provided by the supplier of machinery. The supplier of machinery has challenged the encashment of bank guarantee and the case is pending before Hon'ble High Court of Delhi and Kolkata. Pending final decision, no adjustment has been carried out in accounts and above amount is shown under long term liabilities.

Notes to the Consolidated Balance Sheet & Statement of Profit & Loss

26.4 (a) During the year, the Company raised ₹49,99,99,990/- by allotting 43,47,826 equity shares of ₹2/- each @ ₹115/- per share (including premium @₹113/- per share) on preferential basis to Latinia Limited, Mauritius. The funds so raised (net of issue expenses of ₹145.94 lacs) have been utilized for the purposes for which the same were raised except for ₹3700 lacs which have been temporarily parked in bonds / debt scheme of mutual funds.

(b) Share issue expenses amounting ₹145.94 lacs on issue of above shares have been charged to Security Premium Account and to that extent profit is stated higher.

26.5 Related Party Transactions (As certified by the Management)

A. Other related parties with whom transactions have taken place and description of relationship:

1. Key Management Personnel : Mr. Shreekant Somany, Chairman & Managing Director
 Mr. Abhishek Somany, Joint Managing Director
 (Son of Chairman & Managing Director)
 Mr. Laljibhai Savjibhai Sherasiya
 Mrs. Manjulaben Laljibhai Shراسiya
 Mr. Mansukhbhai Savjibhai Sherasiya
 Mr. Mansukhbhai Savjibhai Sherasiya (HUF)
 Mr. Jivrajbhai Savjibhai Sherasiya
 Mr. Devendrakumar L. Sherasiya
 Mr. Prabhubhai R. Amrutiya
 Mr. Nareshbhai R. Amrutiya
 Mrs. Sangitaben N. Amrutiya
 Mr. Hiteshbhai P. Amrutiya
2. Relatives of Key Management Personnel : Mrs. Minal Somany
 (Wife of Joint Managing Director)
3. Associate Company : Vintage Tiles Private Limited
 Commander Vitrified Private Limited
 Vicon Ceramic Private Limited (w.e.f. 25th November, 2013)
 Acer Granito Private Limited (w.e.f. 08th March, 2014)

Notes to the Consolidated Balance Sheet & Statement of Profit & Loss

B. Details of transactions with related parties

Particulars	(₹ in lacs)	
	31.03.2014	31.03.2013
Mr. Shreekant Somany		
Remuneration paid	158.27	136.92
Commission	98.02	126.20
Outstanding at the year-end	-	-
Mr. Abhishek Somany		
Remuneration paid	139.18	133.07
Commission	117.11	143.27
Rent paid	7.57	7.16
Outstanding payable at the year-end	0.59	0.55
Mrs. Minal Somany		
Remuneration paid	23.90	20.82
Rent paid	16.59	8.05
Outstanding payable at the year-end	1.89	0.63
Vintage Tiles Private Limited		
Purchase of goods	9841.61	6911.63
Sale of goods	-	5.46
Technical services provided during the year	35.10	-
Interest Received	31.62	28.58
Deposit given during the year	200.00	26.00
Outstanding at the year-end:		
Trade Payable	164.03	-
Advance given against supply	-	36.92
Deposits	226.00	26.00
Interest Receivable	21.71	-
Commander Vitrified Private Limited		
Investment made	-	325.00
Purchase of goods	10240.99	6039.76
Sale of goods	14.38	3.63
Technical services provided during the year	46.80	-
Interest Received	21.08	6.29
Deposit given during the year	-	170.00
Loan taken during the year	202.74	-
Loan repaid during the year	202.74	-

Notes to the Consolidated Balance Sheet & Statement of Profit & Loss

Particulars	(₹ in lacs)	
	31.03.2014	31.03.2013
Interest Paid	1.35	-
Outstanding at the year-end:		
Trade Payable	355.59	540.69
Trade Receivable	2.08	1.09
Deposits	170.00	170.00
Interest Receivable	18.97	-
Vicon Ceramic Private Limited		
Investment made	188.50	-
Purchase of goods	7.93	-
Interest Received	3.85	-
Deposit given during the year	226.50	-
Outstanding at the year-end:		
Trade Payable	9.11	-
Deposits	226.50	-
Interest Receivable	3.47	-
Acer Granito Private Limited		
Investment made	511.00	-
Purchase of goods	540.91	-
Technical services provided during the year	6.50	-
Interest Received	4.34	-
Deposit given during the year	300.00	-
Outstanding at the year-end:		
Trade Payable	68.78	-
Deposits	300.00	-
Interest Receivable	3.91	-
Laljibhai Savjibhai Sherasiya (HUF)		
Loan taken during the year	9.80	-
Outstanding at the year-end:		
Unsecured Loan	9.80	-
Laljibhai Savjibhai Sherasiya		
Loan taken during the year	4.00	-
Outstanding at the year-end:		
Unsecured Loan	4.00	-

Notes to the Consolidated Balance Sheet & Statement of Profit & Loss

Particulars	(₹ in lacs)	
	31.03.2014	31.03.2013
Mansukhbhai Savjibhai Sherasiya		
Loan taken during the year	3.00	-
Outstanding at the year-end:		
Unsecured Loan	3.00	-
Mansukhbhai Savjibhai Sherasiya (HUF)		
Loan taken during the year	2.55	-
Outstanding at the year-end:		
Unsecured Loan	2.55	-
Jivrajbhai Savjibhai Sherasiya		
Loan taken during the year	19.55	-
Outstanding at the year-end:		
Unsecured Loan	19.55	-
Devendrakumar L. Sherasiya		
Loan taken during the year	0.50	-
Outstanding at the year-end:		
Unsecured Loan	0.50	-
Prabhubhai R. Amrutiya		
Loan taken during the year	3.00	-
Outstanding at the year-end:		
Unsecured Loan	3.00	-
Sangitaben N. Amrutiya		
Loan taken during the year	14.65	-
Outstanding at the year-end:		
Unsecured Loan	14.65	-
Hiteshbhai P. Amrutiya		
Loan taken during the year	7.50	-
Outstanding at the year-end:		
Unsecured Loan	7.50	-

Notes to the Consolidated Balance Sheet & Statement of Profit & Loss

26.6 Earning Per Share

The numerators and denominators used to calculate basic and diluted earnings per share:

Particulars		31.03.2014	31.03.2013
Profit /(Loss) attributable to the equity share holders (₹ in Lacs)	(A)	2,887.02	3,200.66
Weighted average number of equity shares outstanding during the year	(B)	34,997,298	34,497,000
Nominal value of equity shares (₹)		2/-	2/-
Basic earning per share (₹)	(A/B)	8.25	9.28
Diluted earning per share (₹)	(A/B)	8.25	9.28

26.7 Balances of certain trade receivables, trade payables, other liabilities and other advances are in process of confirmation reconciliation.

26.8 The business activity of the company falls within a single primary business segment viz. Ceramic Tiles and allied products 'and basically sale of the product is within the country. Hence the Disclosure requirement of Accounting Standard 17 of 'Segment Reporting' notified under Companies (Accounting Standards) Rules,2006 is not considered applicable.

26.9 (a) Foreign exchange derivatives and exposures outstanding at the year end:

Name	Amount (In Foreign Currency) 31.03.2014	Amount (In Lacs equivalent) 31.03.2014	Amount (In Foreign Currency) 31.03.2013	Amount (In Lacs equivalent) 31.03.2013
Derivatives				
Forward contract	-	-	EURO 4,92,555	345.48
Forward contract	USD 4,00,000	240.44	USD 1,05,679	57.66
Open Exposures				
Receivables	USD 5,28,947	314.56	USD 3,16,798	171.32
Receivables	GBP 11724	11.58	-	-
Payables	USD 1,99,665	120.02	USD 2,85,932	156.01
Payables	EURO 23,91,988	1987.74	EURO 22,86,262	1603.59

(b) company uses derivative instruments for hedging and / or reducing finance cost.

26.10 The net worth of Somany Keraben Private limited (JV Company-negative net worth) has been considerably eroded on account of losses.

26.11 In respect of the joint venture company (Somany Keraben Private Limited), the auditors have drawn attention in their audit report for the year ended March 2013 regarding the accounts being prepared as going concern assumption even after negative net worth of the company.

26.12 Accounting policies and Notes on Accounts (including disclosure requirements of Accounting Standard 15 - Employee Benefits and Accounting Standard 22- Accounting for taxes on income notified under Companies (Accounting Standards) Rules, 2006 of the financial statement of the parent company and subsidiary company are set out in their respective financial statement.

Notes to the Consolidated Balance Sheet & Statement of Profit & Loss

26.13 The Financial statements of JVC (Somany Keraben private limited) are unaudited and are certified by the management. Subsequent to the approval of financial statement of previous year, Audited financial statements of JVC were made. Accordingly the effect of audited financial statements of the previous year has been given in the current year for the purposes of consolidation.

26.14 While applying equity method, the company has considered cost of acquisition of shares in Associate & adjusted it by the profits/loss earned for the year 2012-13 on proportionate basis. Subsequent to the approval of financial statement of previous year, Audited financial statements of an Associates namely Vintage Tiles Pvt. Ltd. were made. Accordingly the effect of audited financial statements of the previous year has been given in the current year for the purposes of consolidation.

26.15 A (i) In terms of the shareholders agreement, the company has acquired during the year 18.85 lacs numbers of fully paid up equity shares of ₹10 each at the rate of ₹10 per share for aggregating to ₹188.50 lacs which represents 26% equity stake in M/s Vicon Ceramic Pvt. Ltd. (VCPL).

(ii) In terms of the shareholders agreement, the company has acquired during the year 14.60 lacs numbers of fully paid up equity shares of ₹10 each at the rate of ₹35 per share (including premium of ₹25 per share) for aggregating to ₹511.00 lacs, which represents 26% equity stake in M/s Acer Granito Pvt. Ltd. (AGPL)

(iii) In terms of the shareholders agreement, the company has acquired during the year 53.04 lacs numbers of fully paid up equity shares of ₹10 each at the rate of ₹10 per share for aggregating to ₹530.40 Lacs, which represents 51% equity stake in M/s Amora Tiles Pvt. Ltd. (ATPL), thereby making the ATPL a subsidiary company of Somany Ceramics Ltd.

By the above said agreements and supply agreements, the company has right to buy and sell the entire production of tiles of companies stated above in/under its own brand.

B. During the year the company has acquired 30662 numbers of fully paid up equity shares of ₹10 each of M/s Sonec Sanitary Ware Pvt. Ltd. (SSWL) for ₹18.40 lacs. Further the company have also paid ₹137.60 lacs for acquisition of 2,29,338 numbers fully paid up equity shares of ₹10 each and stated amount paid is shown as advance against Share Application Money under long term loans and advances.

26.16 The previous year's figures have been regrouped, rearranged wherever consider necessary.

As per our report of even date
For **LODHA & CO.**

Chartered Accountants
(ICAI FRN. NO.: 301051E)

N. K. LODHA
Partner
M.NO.85155

Place : New Delhi
Dated : The 26th day of May, 2014

For and on behalf of Board of Directors

Shreekant Somany
Chairman & Managing Director

Abhishek Somany
Joint Managing Director

Ambrish Julka
AGM (Legal) & Company Secretary

Financial Information of Subsidiary Companies

(₹ in lacs)

Financial Year	SR Continental Limited		Somany Global Limited		Amora Tiles Pvt Ltd	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Share Capital	18.50	18.50	50.00	50.00	1040.00	-
Reserves & Surplus/ (Accumulated Losses)	276.87	315.33	2.76	(19.33)	(132.95)	-
Total Assets	458.78	483.37	83.03	65.00	3276.08	-
Total Liabilities	458.78	483.37	83.03	65.00	3276.08	-
Details of Investment (other than investment in subsidiary Companies)	104.81	72.88	Nil	Nil	Nil	-
Turnover including other income	656.30	616.79	398.35	361.04	105.40	-
Profit/ (Loss) Before Taxation	(36.03)	20.86	34.57	24.81	(46.99)	-
Income Tax Expenses	2.43	5.38	12.48	11.31	85.96	-
Profit/ (Loss) after taxation	(38.46)	15.48	22.09	13.50	(132.95)	-
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	-

The Company has complied with the conditions as stipulated by Ministry of Corporate Affairs, Govt. of India, New Delhi vide its General Circular No.2/2011 dated 8th February, 2011, whereby direction u/s 212(8) of the Companies Act, 1956 was issued granting general exemption from attaching the Accounts of Subsidiaries of the Company. However, annual accounts of the subsidiary companies and the related details information will be made available to the investors of the company and its subsidiaries seeking such information at any point of time. The annual accounts of the subsidiary companies are available for inspection by any investor at the Head Office of the Company and the concerned subsidiary.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Shreekant Somany
Mr. Abhishek Somany
Mr. R. K. Daga
Mr. R. L. Gaggar
Mr. Salil Singhal
Dr. Y. K. Alagh
Mr. G. L. Sultania
Mr. Ravinder Nath
Mr. Siddharath Bindra
Mr. Narayan Anand

CHIEF EXECUTIVE OFFICER

Mr. G. G. Trivedi

COMPANY SECRETARY

Mr. Ambrish Julka

BANKERS

Punjab National Bank
IDBI Bank
ING Vysya Bank
HDFC BANK

AUDITORS

Lodha & Company
Chartered Accountants

REGISTERED OFFICE

82/19, Bhakerwara Road, Mundka
New Delhi - 110041

Email: marketing@somanyceramics.com

CORPORATE OFFICE

F-36, Sector 6, Noida (U.P)- 201301
Phone: 0120-4627900

CIN: L40200DL1968PLC005169

WEBSITE

www.somanyceramics.com

PLANTS

Haryana
Kassar Works
P.O - Kassar - 124507,
Bahadurgarh
Distt. Jhajjar, Haryana

Gujarat

Kadi works
14, G.I.D.C, Industrial Estate,
Kadi - 382715
Distt. Mehsana, Gujarat

SUBSIDIARY COMPANIES

SR Continental Ltd.
Somany Global Ltd.
Amora Tiles Pvt. Ltd.

ASSOCIATE COMPANIES

Vintage Tiles Pvt. Ltd.
Commander Vitrified Pvt. Ltd.
Acer Granito Pvt. Ltd.
Vicon Ceramic Pvt. Ltd.

SOMANY



SOMANY CERAMICS LIMITED

Regd. Office: 82/19, Bhakerwara Road, Mundka, New Delhi - 110 041

CIN: L40200DL1968PLC005169

Phone: 011-2834 1085, E-mail: sclinvestors@somanytiles.co.in

NOTICE

OF THE 46th ANNUAL GENERAL MEETING

Notice is hereby given that the 46th Annual General Meeting of the Members of Somany Ceramics Limited will be held at Lakshmiptat Singhania Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 on Thursday, the 4th September, 2014 at 10:30 AM to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit & Loss for the year ended on that date together with the Reports of Directors' and Auditors' thereon.
2. To declare a dividend on equity shares for the year ended 31st March, 2014.
3. To appoint a Director in place of Shri G. L. Sultania (DIN: 00060931), who retires by rotation at this Annual General Meeting and being eligible, has offered himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT Shri R. L. Gaggar, (DIN:00322904) Independent Director of the Company who retires by rotation at this Annual General Meeting does not seek for re-appointment, is therefore, not appointed as a Director of the Company and the vacancy so caused be not filled up at present."
5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder M/s. Lodha & Co., Chartered Accountants having Registration No.301051E, be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of 49th Annual General Meeting at a remuneration as may be fixed by the Board of Directors of the Company and the said re-appointment be placed for ratification by members at the 47th and 48th Annual General Meeting of the Company."

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

6. **Re-appointment of Shri Shreekant Somany (DIN: 00021423) as the Chairman & Managing Director.**

"RESOLVED THAT in accordance with the provisions of Sections 196, and 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any Statutory notification(s) or re-enactment thereof for the time being in force) consent and/or approval of the Company be and is hereby accorded to the re-appointment of Shri Shreekant Somany ("Shri Somany") (DIN: 00021423) as the Chairman and Managing Director of the Company, for a further period of 3 (Three) years commencing from 1st September, 2014 till 31st August, 2017, who shall not be liable to retire by rotation pursuant to the relevant provisions under the said Act read with Articles of Association of the Company, and to his receiving remuneration by way of salary, commission, perquisites and/or

allowances as the Chairman and Managing Director of the Company as recommended by the Nomination and Remuneration Committee and Audit Committee at their respective meetings and upon the terms, conditions and stipulations contained in the draft Agreement to be entered into between the Company of the ONE PART and Shri Somany of the OTHER PART and also set out in the Statement pursuant to Section 102 of the Companies Act, 2013, attached to the notice convening the 46th Annual General Meeting of the Company (a draft, whereof is placed before the meeting and for the purpose of identification, is subscribed by the Chairman) which Agreement is specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms, conditions and stipulations of the said re-appointment of Shri Somany as the Chairman and Managing Director of the Company and/or remuneration payable to him and/or agreement containing the terms and conditions as may be agreed to between the Board of Directors and Shri Somany, provided, however, that the remuneration payable to Shri Somany, shall not exceed the maximum limits for payment of managerial remuneration specified in Schedule V to the said Act or any amendment thereto as may be made from time to time or the laws or guidelines as may for the time being in force.”

“RESOLVED FURTHER THAT where in any financial year, during his term of office, the Company makes no profits or its profits are inadequate, the Company may pay Shri Somany minimum remuneration by way of salary, perquisites and/or allowances subject to the maximum ceiling calculated in accordance with the scale laid down in Section II of Part II of Schedule V to the said Act, as applicable to the Company at the relevant time depending upon the capital of the Company and as may be agreed to by the Board of Directors of the Company and acceptable to Shri Somany, the Chairman and Managing Director of the Company subject to necessary approval(s) as may be required.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered necessary and desirable or expedient to give effect to this resolution.”

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

7. Re-appointment of Shri Abhishek Somany (DIN: 00021448) re-designated as the Managing Director

“RESOLVED THAT in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any Statutory notification(s) or re-enactment thereof for the time being in force) consent and/or approval of the Company be and is hereby accorded to the re-appointment of Shri Abhishek Somany (“Shri Somany”) (DIN: 00021448) for a further period of 3 (Three) years, commencing from 1st June, 2015 till 31st May, 2018, and to re-designated him as the Managing Director of the Company, who shall be liable to retire by rotation pursuant to the relevant provisions under the said Act, read with Articles of Association of the Company, and to his receiving remuneration by way of salary, commission, perquisites and/or allowances, as Managing Director of the Company as recommended by the Nomination and Remuneration Committee and Audit Committee at their respective meetings and upon the terms, conditions and stipulations contained in the draft Agreement to be entered into between the Company of the ONE PART and Shri Somany of the OTHER PART and also as set out in the Statement pursuant to Section 102 of the Companies Act, 2013, attached to the notice convening the 46th Annual General Meeting of the Company (a draft, whereof is placed before the meeting and for the purpose of identification, is subscribed by the Chairman) which Agreement is specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms, conditions and stipulations of the said re-appointment of Shri Somany as the Managing Director of the Company and/or remuneration payable to him and/or agreement containing the terms and conditions as may be agreed to between the Board of Directors and Shri Somany, provided, however, that the remuneration payable to Shri Somany, shall not exceed the maximum limits for payment of managerial remuneration, specified in Schedule V to the said Act, or any amendment thereto as may be made from time to time or the laws or guidelines as may for the time being in force.”

“RESOLVED FURTHER THAT where in any financial year, during his term of office, the Company makes no profits or its profits are inadequate, the Company may pay Shri Somany minimum remuneration by way of salary, perquisites and/or allowances subject to the maximum ceiling calculated in accordance with the scale laid down in Section II, of Part II of Schedule V to the said Act, as applicable to the Company at the relevant time depending upon the capital of the Company and as may be agreed to by the Board of Directors of the Company and acceptable to Shri Somany, the Managing Director of the Company subject to necessary approval(s) as may be required.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary desirable or expedient to give effect to this resolution.”

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

8. Appointment of Shri Siddharath Bindra (DIN: 01680498), as an Independent Director

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Shri Siddharath Bindra (DIN: 01680498), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 26th May, 2014 and who holds office until the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member of the Company under Section 160 of the Companies Act, 2013, signifying his intention to propose Shri Siddharath Bindra as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company upto 25th May, 2019, not liable to retire by rotation.”

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

9. Appointment of Shri Narayan Anand (DIN: 02110727), as a Director

“RESOLVED THAT pursuant to the provisions of Section 149, 152

and all other applicable provisions of Companies Act, 2013 and the Rules made thereunder, Shri Narayan Anand (DIN: 02110727), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 19th February, 2014 and who holds office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member under section 160 of the Companies Act, 2013 signifying his intention to propose Shri Narayan Anand as a candidate for the office of a Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

10. To re-appoint Shri R. K. Daga (DIN: 00227746), as an Independent Director

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri R. K. Daga (DIN: 00227746), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 51st Annual General Meeting of the Company in the calendar year 2019 and shall not be liable to retire by rotation, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member proposing his candidature for the office of Director.”

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

11. To re-appoint Shri Salil Singhal (DIN: 00006629), as an Independent Director

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory

modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Salil Singhal (DIN: 00006629), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 51st Annual General Meeting of the Company in the calendar year 2019 and shall not be liable to retire by rotation, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member proposing his candidature for the office of Director.”

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

12. To re-appoint Dr. Y. K. Alagh (DIN: 00244686), as an Independent Director

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Y. K. Alagh (DIN: 00244686), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 51st Annual General Meeting of the Company in the calendar year 2019 and shall not be liable to retire by rotation, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member proposing his candidature for the office of Director.”

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

13. To re-appoint Shri Ravinder Nath (DIN: 00062186), as an Independent Director

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of

the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Ravinder Nath (DIN: 00062186), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 51st Annual General Meeting of the Company in the calendar year 2019 and shall not be liable to retire by rotation, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member proposing his candidature for the office of Director.”

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

14. To approve Remuneration of Cost Auditor for the financial year ending 31st March, 2015.

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, if any, and Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s N. D. Birla & Co., the Cost Auditor (Regn No: 000028), appointed by the Board of Directors of the Company to conduct the audit of the Cost Records of the Company for the financial year ending 31st March, 2015, be paid the remuneration as set out in the explanatory statement annexed to the Notice convening this meeting.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or any officer(s) authorized by it, be and is hereby authorized to do all such acts, deeds and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board
For Somany Ceramics Limited

Place: New Delhi
Dated: 26th May, 2014

(Ambrish Julka)
AGM (Legal) and Company Secretary

NOTES:

1. A Member entitled to attend and vote at this meeting is entitled to participate in the voting process through e-voting, as per the Section 108 of the Companies Act, 2013.
2. Statement in respect of Special Business pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto and forms part of this Notice.
3. **A Member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on a poll, instead of himself. A Proxy need not be a member of the Company. Proxies, in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting.**
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days notice in writing is given to the Company.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
6. The Register of Contract or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
7. Corporate members intending to send their authorized representatives to attend the meeting are requested to send the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
8. The Register of Members and the Share Transfer Books of the Company will remain closed from 19th August, 2014 to 4th September, 2014 (both days inclusive).
9. Dividend on equity shares as recommended by the Board of Directors, if declared at the meeting will be paid within 30 days from the date of declaration, to those Members whose name appears on the Register of Members of the Company as on 19th August, 2014 and in respect of shares held in the dematerialized form, to those beneficial owners whose particulars will be furnished by the Depositories on the said date.
10. Members/Proxy holders are requested to bring their copies of Annual Report along with them at the meeting.
11. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Company's Share Department at 2, Red Cross Place, Kolkata - 700001. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956), be transferred to the Investor Education and Protection Fund.
12. Members are requested to write to the Company, their query(ies), if any, on the Accounts and operations of the Company at least 10 days before the meeting to keep the information ready at the meeting.
13. Members holding shares in physical form are requested to notify changes, if any, in their address and the Bank Account particulars to the Company's Registrar & Transfer Agent M/s. Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, Kolkata 700 001. Telephone No. 2248 2248, Fax No. 2248 4787.
14. Members who hold shares in dematerialized form are requested to bring their Depository ID Number and Client ID Number for easier identification of attendance at the Annual General Meeting.
15. Members having multiple folios in the same order of name(s) may inform the Company for consolidation into one folio.
16. Brief resume along with other particulars, pursuant to Clause 49 of the Listing Agreement in respect of Non-Executive Directors, offered themselves for re-appointment, are given under the Corporate Governance section of the Annual Report.
17. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of saving bank account details to their respective Depository Participant(s),

Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.

18. Furnishing a copy of PAN Card has been made mandatory by SEBI in all the cases of transfer of shares in physical form.
19. All the documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of Annual General Meeting.
20. The Notice of the 46th Annual General Meeting and instruction for e-voting, along with the Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company/ Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by permitted mode.
21. A general exemption was granted under Section 212(8) of the Companies Act, 1956 by the Ministry of Corporate Affairs (MCA), Government of India vide Circular No. 2/2011/51/12/2007-CL-III dated 8th February, 2011, from attaching the copy of Balance Sheet, Statement of Profit and Loss, reports of the Board of Directors and Auditors thereon of the subsidiaries of the Company with the Balance Sheet of the Company. However, these documents will be made available upon receipt of request from a Member of the Company and shall be available at the Registered Office of the Company as well as its subsidiary Companies for inspection by the Members.

22. Important Communication to Members

As you all may be aware, the Section 101 of Companies Act, 2013 is now applicable from 1st April, 2014 and the Ministry of Corporate Affairs (MCA), Government of India, vide Notification dated 21st April, 2011, had taken "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies stating that the service of documents like Annual General Meeting Notice, Annual Report and other correspondence by a Company can be made available to the Members through electronic mode. Accordingly the Company had sent the Annual Reports for years ended 31st March, 2012 and 31st March, 2013 in electronic form to the e-mail IDs of the Members made available to the Company by the Depository and/or Members of the Company holding shares in physical form. Such Annual Reports are also available on the Company's Website www.somanyceramics.com In order to enable the Company to continue to send the documents in the electronic form, the Members are requested to register their e-mail ID with us and those holding shares in electronic mode are requested to register/update their e-mail ID with their Depository Participant (DP), with whom they are maintaining their demat account.

By Order of the Board
For Somany Ceramics Limited

Place: New Delhi
Dated: 26th May, 2014

(Ambrish Julka)
AGM (Legal) and Company Secretary

STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NOS. 6 & 7

The present tenure of Shri Shreekant Somany (Shri Somany) as Chairman and Managing Director of the Company expires by the efflux of time on 31st August, 2014.

Shri Shreekant Somany (Shri Somany), Graduated in Science, aged about 66 years is an Industrialist and currently the Chairman and Managing Director of the Company. He is equipped with over 42 years' experience of business and Ceramic Industry. He is on the Board of Directors of Companies, namely Shree Cement Ltd., Cosmo Ferrites Ltd. and other group Investment Companies.

Having regard to the long association of Shri Shreekant Somany with the Company and taking into account his wide experience over 42 years and vast knowledge in Ceramic Industry, the Board of Directors at its meeting held on 26th May 2014 has re-appointed Shri Somany, as non-retiring Chairman and Managing Director of the Company, not liable to retire by rotation, for a fresh term of 3 (three) years commencing from 1st September, 2014 to 31st August, 2017 to continue to avail his valuable experience and expertise in the best interest of the

Company. His appointment and remuneration fixed by the Board have been recommended by the Nomination and Remuneration Committee and Audit Committee and are in accordance with Schedule V to the Companies Act, 2013 ("the Act").

Similarly, the present term of Shri Abhishek Somany as Joint Managing Director of the Company expires by efflux of time on 31st May, 2015.

Shri Abhishek Somany, aged about 42 years is a Bachelor of Business Administration from Richmond University, U.K. with specialization in Finance & Marketing and at present the Joint Managing Director of the Company.

Keeping in view his business acumen and varied experience he acquired during his association with the Company, the Board of Directors considered his appointment useful and appointed Shri Somany as a Managing Director, retiring by rotation, of the Company at its meeting held on 26th May, 2014, for a fresh term of 3 (three) years commencing from 1st June, 2015 to 31st May, 2018. His appointment and remuneration fixed by the Board have been recommended by the Nomination and Remuneration Committee and Audit Committee and are in accordance with Schedule V to the Companies Act, 2013 ("the Act").

The Board of Directors has fixed the following remuneration as per recommendation by the Nomination and Remuneration Committee to be paid to Shri Shreekant Somany, as Chairman and Managing Director and Shri Abhishek Somany, as Managing Director of the Company during their respective fresh terms with power to make such variation or increase therein as may be thought fit from time to time, but within the ceiling laid down in Schedule V to the said Act, or any statutory amendment or relaxation thereof;

	Shri Shreekant Somany Chairman and Managing Director	Shri Abhishek Somany Managing Director
1	Period of Appointment	3 (Three) years commencing from 1st September, 2014 to 31st August, 2017
2	Remuneration	3 (Three) years commencing from 1st June, 2015 to 31st May, 2018
		Shri Shreekant Somany and Shri Abhishek Somany (hereinafter referred to as "the appointees") shall, in consideration of their services, be entitled to the following remuneration by way of:
a)	Salary	₹12,50,000/- per month
b)	House Rent Allowance	₹2,00,000/- per month
		The Board may consider and grant an annual increment to the appointees, at its discretion, as may be recommended by the Nomination and Remuneration Committee.
c)	Commission	At the rate of 3% (Three Percent) of net profits of the Company for each financial year computed in the manner laid down in Section 197 of the Companies Act, 2013.
d)	Perquisites	The appointees will be entitled to the following perquisites in addition to their salary, house rent allowance and commission, subject to overall limit laid down in Schedule V to the Companies Act, 2013.

Unless the context otherwise requires, perquisites are classified into three categories A, B and C as follows:-

CATEGORY -A

This will comprise of leave travel concession, medical reimbursement, fees of clubs and personal accident insurance. These may be provided for as under:-

Medical Reimbursement

Reimbursement of expenses incurred by the appointees for self and their family, subject to the ceiling of their respective one month salary in a year or 3 (Three) months' salary over a period of 3 years.

Leave Travel Concession

To the appointees and their family once in a year incurred in accordance with the Rules of the Company.

Club Fee

Fees of clubs subject to a maximum of two clubs for each appointee. This will not include admission and life membership fees.

Personal Accident Insurance

For Chairman and Managing Director and Managing Director, of an amount, the premium of which, does not exceed ₹10,000/- per annum each.

Explanation:

1. For the purpose of CATEGORY 'A', Family means, the spouse, the dependent children and dependent parents of the appointees.
2. The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax Rules, 1962.

CATEGORY -B

- i) Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable should not exceed half a month's salary for each completed years of service.

- iii) Encashment of Leave at the end of the tenure will be permitted and will not be included in the computation of the ceiling on perquisites.

CATEGORY -C

Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of Car for private purpose shall be billed by the Company to the appointees. The appointees shall also be provided with a mobile, laptop and internet connection for the purpose the Company's business, which will also not form part of perquisites.

Overall Remuneration

Subject to an overall limit of 5% of the net profit individually and 10% of the net profit collectively payable to the Chairman & Managing Director and Managing Director as calculated in accordance with Section 197 and other applicable provisions read with Schedule V to the said Act, as may be for the time being in force.

Minimum Remuneration

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of office of the appointees, the Company may pay them remuneration by way of consolidated salary and perquisites in accordance with the limits laid down under Section II, of Part II of Schedule V to the said Act, as may be applicable at the relevant time, subject to necessary approval(s) as may be required.

The perquisites specified in Section II, of Part II of Schedule V to the Act, however shall not be included in the computation of the ceiling on remuneration specified under Section II, of Part II of Schedule V to the Act.

The value of the perquisites for the purpose of calculating the above annual ceiling shall be evaluated as per Income Tax Rules wherever applicable otherwise at actuals.

Sitting Fee

The appointees shall not so long as they act as Chairman & Managing Director and Managing Director of the Company, be paid any sitting fees for attending any meeting of the Board or Committee thereof.

Termination

Notwithstanding anything contained in this Agreement, either party shall be entitled to determine this Agreement by giving three calendar months notice in writing in that behalf to the other party and on the expiry of the period of such notice, this Agreement shall stand terminated. The Company shall also be entitled without assigning any reason whatsoever to terminate the Agreement on giving to the appointees three months' salary as specified hereinabove under the head Remuneration, in lieu of three calendar months' notice required to be given under this clause.

Service of Notice

Any notice to be given hereunder shall be sufficiently given or served in case of the appointees by being delivered either personally to them or left for them at their addresses last known to the Company or sent by registered post addressed to them at such address and in the case of the Company by being delivered at or sent by registered post addressed to its Registered Office; any such notice if so posted shall be deemed served on the day following that on which it was posted.

In terms of requirements under Schedule V to the Companies Act 2013,

Abstract of Terms and Conditions

This should be treated as an abstract of the terms of appointment and memorandum of interest of the respective appointees as required under Section 190 of the Act.

In terms of the Schedule V of the Companies Act, 2013 the following information is given to the shareholders:

1. General Information:

- (1) Nature of Industry: Manufacturing of Ceramic Tiles and Allied Products
- (2) Date of commencement of Commercial production: 1972
- (3) Financial Performance:

(₹ in Lacs)

Year ending 31st March	Sales	Operating Profit	Profit Before Tax	Profit After Tax
2009	46,277	4,354	1,347	874
2010	56,302	5,832	3,056	2,045
2011	74,954	6,810	3,371	2,343
2012	92,110	7,456	3,569	2,475
2013	1,10,851	8,705	4,667	3,159
2014	1,32,275	8,438	4,402	2,803

(4)	Export Performance	:	FOB Value of Export for the year 2013-14 was ₹ 2,860 Lacs
(5)	Foreign investors or Collaborators	:	Two Overseas Corporate Bodies are holding 56,05,326 shares representing 14.43% and 38 NRI's are holding 59,570 shares representing 0.15% in the share capital of the Company as on 31st March, 2014

the Company requires to seek members' approval by a special resolution for minimum remuneration payable to the respective appointees in the scale laid down in Section II, of Part II of Schedule V to the Act. In the event of loss or inadequate profits, the Company will obtain approval of Central Government for continuing the payment of Remuneration to the aforesaid appointees.

The Board accordingly recommends the Resolutions set out in item Nos. 6 & 7 of the accompanying Notice for members' approval by way of Special Resolutions.

Memorandum of Interest

None of the Directors other than Shri Shreekant Somany and Shri Abhishek Somany may be deemed to be interested and/or concerned in the resolutions.

Inspection of documents

The draft of the proposed Agreements to be entered into between the Company and the appointees are available for inspection by the Members of the Company at its Registered Office, on any working day prior to the date of the meeting during 3.00 p.m to 5.00 p.m and will also be available at the meeting.

II. Information about the appointees

	Shri Shreekant Somany	Shri Abhishek Somany																								
(1) Background details	He is an Industrialist and currently the Chairman and Managing Director of the Company. He is a graduate and holds B.Sc. degree and has over 42 years of experience in business of Ceramic Tiles, Sanitary ware & Glassware.	He is Bachelor of Business Administration from Richmond University, U.K. with specialization in Finance & Marketing. He received specialized intensive training of manufacturing Ceramic Tiles in Pilkington's Tiles, U.K. at their Manchester and Brighton Plants. He has also attended Advanced Management Course at Sunridge Park, U.K.																								
	(₹ in Lacs)																									
(2) Past Remuneration (including contribution to Provident Fund)	<table border="1"> <tr> <td>2008-2009</td> <td>83.36</td> <td>2008-2009</td> <td>54.04</td> </tr> <tr> <td>2009-2010</td> <td>161.41</td> <td>2009-2010</td> <td>137.85</td> </tr> <tr> <td>2010-2011</td> <td>192.67</td> <td>2010-2011</td> <td>187.69</td> </tr> <tr> <td>2011-2012</td> <td>206.87</td> <td>2011-2012</td> <td>206.87</td> </tr> <tr> <td>2012-2013</td> <td>263.12</td> <td>2012-2013</td> <td>276.34</td> </tr> <tr> <td>2013-2014</td> <td>256.29</td> <td>2013-2014</td> <td>256.29</td> </tr> </table>	2008-2009	83.36	2008-2009	54.04	2009-2010	161.41	2009-2010	137.85	2010-2011	192.67	2010-2011	187.69	2011-2012	206.87	2011-2012	206.87	2012-2013	263.12	2012-2013	276.34	2013-2014	256.29	2013-2014	256.29	
2008-2009	83.36	2008-2009	54.04																							
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2011-2012	206.87	2011-2012	206.87																							
2012-2013	263.12	2012-2013	276.34																							
2013-2014	256.29	2013-2014	256.29																							
	The Remuneration received includes commission also.																									
(3) Recognition and Awards	The appointees take interest in the social and cultural activities.																									
(4) Job profile and his suitability	Shri Shreekant Somany is Chairman and Managing Director of the Company. Devotes his whole time and attention to the business and management of affairs of the Company and carries out such duties as entrusted to him by the Board and exercises such powers as assigned to him from time to time by the Board subject to superintendence control and direction of the Board in connection with and in the best interest of the Company including the business of its associates and/or its subsidiaries. He is one of the Promoters of the Company. Under his stewardship the Company has significantly grown and has emerged as one of the major player of the Indian Ceramic Tile Industry. His job profile centers around, to provide vision, guidance and direction for long term growth of the Company.	Shri Abhishek Somany, Managing Director, is overall incharge of the operations of the Company and looks after day to day management and administration of the Company, subject to superintendence, control & direction of the Board. His job profile mainly includes implementation of investment plans and strategic planning for consistence improved operations and performance for long term growth of the Company.																								
(5) Remuneration proposed	Salary ₹12,50,000/- and HRA ₹2,00,000/- per month respectively and other perquisites, Commission at the rate of 3% of net profits of the Company computed in the manner laid down in Section 197 of the Companies Act, 2013.	Salary ₹12,50,000/- and HRA ₹2,00,000/- per month respectively and other perquisites, Commission at the rate of 3% of net profits of the Company computed in the manner laid down in Section 197 of the Companies Act, 2013.																								
(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration proposed to Shri Shreekant Somany and Shri Abhishek Somany is in consonance with their respective similar position in the Industry.																									
(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Except Salary and Perquisites to be received from the Company by the appointees including their relatives and to receive dividend declared by the Company, if any, including amounts disclosed in the Annual Report under the related party transactions, Shri Shreekant Somany and Shri Abhishek Somany do not have any pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel of the Company.																									

III. Other Information

(1)	Reasons of loss or inadequate profits	There is profit, but as an abundant caution for payment of minimum remuneration to the Chairman and Managing Director and Managing Director in case of no profit or inadequate profits in any particular year the information is provided to the Shareholders.
(2)	Steps taken or proposed to be taken for improvement	All around reduction in cost and better product mix to achieve higher realizations.
(3)	Expected increase in productivity and profits in measurable terms	Initiatives involving product development, introduction of value added products and such other steps are being taken to improve the overall productivity and to achieve profitability of the Company.

Item No. 8

The Board, at its meeting held on 26th May, 2014, appointed Shri Siddharath Bindra as an Independent Director of the Company, with effect from 26th May, 2014, pursuant to Section 161 of the Companies Act, 2013, read with the Article of Association of the Company.

Pursuant to the provisions of Sections 149, 152 and 161 of the Companies Act, 2013, Shri Siddharath Bindra will hold office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with deposit of ₹1,00,000/- proposing the candidature of Shri Siddharath Bindra for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Shri Siddharath Bindra (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of the Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of Independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Shri Siddharath Bindra as an Independent Director of the Company upto 2019 pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Shri Siddharath Bindra, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder and

he is independent of the Management. A copy of the draft letter for the appointment of Shri Siddharath Bindra as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to date of the Annual General Meeting.

No Director, Key managerial personnel or their relative, except Shri Siddharath Bindra, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 8 for the approval of the members.

Item No. 9

The Board, at its meeting held on 19th February, 2014, appointed Shri Narayan Anand as Additional Director of the Company, with effect from 19th February, 2014, pursuant to Section 161 of the Companies Act, 2013, read with the Article of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Shri Narayan Anand will hold office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with deposit of ₹1,00,000/- proposing the candidature of Shri Narayan Anand for the office of Non- Executive Director, to be appointed as such under the provisions of Sections 149 and 152 of the Companies Act, 2013.

The Company has received from Shri Narayan Anand (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of the Section 164 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Shri Narayan Anand as Non-Executive Director of the Company upto 2019, pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is liable to retire by rotation.

In the opinion of the Board of Directors, Shri Narayan Anand, the Non-Executive Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder. A copy of the draft letter for the appointment of Shri Narayan Anand as Non-Executive Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to date of the Annual General Meeting.

No Director, Key managerial personnel or their relative, except Shri Narayan Anand, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 9 for the approval of the members.

Item No. 10

pursuant to the provisions of Section 161 of the Companies Act, 2013, read with the Article of Association of the Company, the Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Shri R. K. Daga for the office of Independent Director, to be appointed as such under the provisions of Sections 149 and 152 of the Companies Act, 2013.

Shri R. K. Daga is not disqualified from being appointed as an Independent Director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, he also gives intimation in DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of the Section 164 of the Companies Act, 2013. The Company also received a declaration to the effect that he meets the criteria of Independence as provided in Sub-Section(6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Shri R. K. Daga as an Independent Director of the Company up to 2019,

pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

A copy of the draft letter for the appointment of Shri R. K. Daga as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to date of the Annual General Meeting.

No Director, Key managerial personnel or their relative, except Shri R. K. Daga, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 10 for the approval of the members.

Item No. 11

Pursuant to the provisions of Section 161 of the Companies Act, 2013, read with the Article of Association of the Company, the Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Shri Salil Singhal for the office of Independent Director, to be appointed as such under the provisions of Sections 149 and 152 of the Companies Act, 2013.

Shri Salil Singhal is not disqualified from being appointed as an Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, he also gives intimation in DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of the Section 164 of the Companies Act, 2013. The Company also received a declaration to the effect that he meets the criteria of Independence as provided in Sub-Section(6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Shri Salil Singhal as an Independent Director of the Company up to 2019, pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

A copy of the draft letter for the appointment of Shri Salil Singhal as an Independent Director setting out the terms and conditions is available

for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to date of the Annual General Meeting.

No Director, Key managerial personnel or their relative, except Shri Salil Singhal, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 11 for the approval of the members.

Item No. 12

Pursuant to the provisions of Section 161 of the Companies Act, 2013, read with the Article of Association of the Company, the Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Dr. Y. K. Alagh for the office of Independent Director, to be appointed as such under the provisions of Sections 149 and 152 of the Companies Act, 2013.

Dr. Y. K. Alagh is not disqualified from being appointed as an Independent Director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, he also gives intimation in DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of the Section 164 of the Companies Act, 2013. The Company also received a declaration to the effect that he meets the criteria of Independence as provided in Sub-Section(6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Dr. Y. K. Alagh as an Independent Director of the Company up to 2019, pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

A copy of the draft letter for the appointment of Dr. Y. K. Alagh, as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to date of the Annual General Meeting.

No Director, Key managerial personnel or their relative, except Dr. Y. K. Alagh, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 12 for the approval of the members.

Item No. 13

Pursuant to the provisions of Section 161 of the Companies Act, 2013, read with the Article of Association of the Company, the Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Shri Ravinder Nath for the office of Independent Director, to be appointed as such under the provisions of Sections 149 and 152 of the Companies Act, 2013.

Shri Ravinder Nath is not disqualified from being appointed as an Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, he also gives intimation in DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of the Section 164 of the Companies Act, 2013. The Company also received a declaration to the effect that he meets the criteria of Independence as provided in Sub-Section(6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Shri Ravinder Nath, as an Independent Director of the Company up to 2019, pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

A copy of the draft letter for the appointment of Shri Ravinder Nath as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to date of the Annual General Meeting.

No Director, Key managerial personnel or their relative, except Shri Ravinder Nath, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 13 for the approval of the members.

Item No. 14

The Board on recommendation of Audit Committee, has approved the appointment and remuneration of M/s N. D. Birla & Co., Cost Auditors (Regn.no.: 000028) to conduct the audit of the Cost records of the Company for the financial year ending 31st March, 2015 on the remuneration of ₹75,000 plus Service Tax and out of pocket expenses. The consent to act as the Cost Auditor of the Company and Certificate for independence and Arm's Length relationship with the Company has been obtained.

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 the consent of the members is sought for passing Ordinary resolution as set out at Item No. 14 of the notice for ratification of

remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

Copy of the consent to act as the Cost Auditor and Certificate of independence and Arm's Length relationship is available for inspection by the members at the Registered Office of the Company.

None of the Directors and Key managerial personnel of the company and their respective relatives is concerned or interested, financially or otherwise, in passing of the resolution set out in item No. 14.

By Order of the Board
For Somany Ceramics Limited

Place: New Delhi
Dated: 26th May, 2014

(Ambrish Julka)
AGM (Legal) and Company Secretary



SOMANY CERAMICS LIMITED

Regd. Office: 82/19, Bhakerwara Road, Mundka, New Delhi - 110 041
CIN: L40200DL1968PLC005169; Website: www.somanyceramics.com

ATTENDANCE SLIP

The Folio No. and Name (s) of the Member(s) are to be furnished below in Block Letters

Folio No. No. of Shares held

Client ID DP ID

Full Name(s) of the Member/ Joint Members

1.....

2.....

3.....

4.....

Full Name of the Proxy if attending the Meeting

I hereby record my presence at the 46th Annual General Meeting of the Company being held on Thursday the 4th September, 2014, at LakshmiPat Singhanian Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 and any adjournment thereof.

Signature of the Member / Joint Members/ Proxy attending the Meeting

Please complete this attendance slip and hand it over at the entrance of the meeting hall.



**PROXY FORM
FORM: MGT-II**

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN: L40200DL1968PLC005169
SOMANY CERAMICS LIMITED**

Regd. Office: 82/19, Bhakerwara Road, Mundka, New Delhi - 110 041

Website: www.somanyceramics.com

Name of the member(s):																
Registered address:																
E-mail Id:																
Folio No/Client Id:																
DP Id:																

I/We, being the member(s) of Shares of the above named company, hereby, appoint

1. Name: Address:
E-mail: Signature:,or failing him/her

2. Name: Address:
E-mail: Signature:.....,or failing him/her

3. Name: Address:
E-mail: Signature:,or failing him/her

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 46th Annual General Meeting of the Company, to be held on the Thursday, 4th September, 2014 at 10:30 a.m. at Lakshmipat Singhania Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution number	Resolution	Vote		
		For	Against	Abstain
Ordinary Business				
1	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the Financial year ended 31st March, 2014			
2	Approval of final dividend for the financial year ended 31st March, 2014			
3	Appointment of a Director in place of Shri G L Sultania, who retires by rotation and being eligible, seeks re-appointment			
4	Retirement of Shri R. L. Gaggar, Independent Director of the Company.			
5	Appoint M/s Lodha & Co. as the auditors of the Company			
Special Business				
6	Appoint Shri Shreekant Somany as Chairman and Managing Director of the Company			
7	Appoint Shri Abhishek Somany as Managing Director of the Company			
8	Appoint Shri Siddharath Bindra as an Independent Director of the Company.			
9	Appoint Shri Narayan Anand as Non-Executive Director of the Company			
10	Appoint Shri R. K. Daga as an Independent Director of the Company			
11	Appoint Shri Salil Singhal as an Independent Director of the Company			
12	Appoint Dr. Y. K. Alagh as an Independent Director of the Company			
13	Appoint Shri Ravinder Nath as an Independent Director of the Company			
14	Approve Remuneration of Cost Auditor for the Financial year ending 31st March, 2015			

Signed this day of2014

Affix Revenue Stamp

.....
Signature of Shareholder

.....
Signature of Proxy Holder(s)

Note:

1. This form of proxy in order to be effective should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.



CIN: L40200DL1968PLC005169

SOMANY CERAMICS LIMITED

Regd. Office: 82/19, Bhakerwara Road, Mundka, New Delhi - 110 041

Website: www.somanyceramics.com

The instructions for Shareholders voting electronically are as under

The voting period begins on Thursday, 28th August, 2014 from 10 a.m. (IST) and ends on Saturday, 30th August, 2014 6:00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or dematerialised form, as on the cut-off date of 25th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (a) Shareholders should log on to the e-voting website www.evotingindia.com
- (b) Click on "Shareholders" tab.
- (c) Now, select the "Somany Ceramics Limited" from the drop down menu and click on "SUBMIT".
- (d) Now Enter your User ID.
 - (i) For CDSL: 16 digits beneficiary ID,
 - (ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (iii) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (e) Next enter the Image Verification as displayed and Click on Login.
- (f) 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.
- (g) If you are a first time user follow the steps given below:

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) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field.

- (h) After entering these details appropriately, click on “SUBMIT” tab.
- (i) 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.
- (j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (k) Click on the EVSN for the relevant “Somany Ceramics Limited” on which you choose to vote.
- (l) 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.
- (m) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (n) 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.
- (o) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (p) You can also take out print of the voting done by you by clicking on “CLICK HERE TO PRINT” option on the Voting page.
- (q) If demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (r) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - 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 they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts 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, in PDF format in the system for the scrutinizer to verify the same.

- (s) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (t) The voting rights of shareholders shall be in proportion to their share in the paid up equity share capital of the Company.
- (u) The Board of Directors of the Company at their meeting held on 26th May, 2014 has appointed Mr. Pravin Kumar Droliya, Practicing Company Secretary. (FCS No. 2366, CP No. 1362) as the Scrutinizer for conducting the e-voting process in a fair and transparent manner, whose email address is droliapraavin@yahoo.co.in
- (v) The results of the voting will be announced at the Annual General Meeting (AGM) of the Company to be held at Lakshmi Pat Singhania Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016. The results of the voting will be communicated to the stock exchanges and also be hosted on the website of the company i.e. www.somanyceramics.com
- (w) In case of members receiving the physical copy they are advised to follow all the steps from serial no. (a) to (p).



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Regd. Office: 82/19, Bhakerwara Road, Mundka, New Delhi - 110 041

Email: sclinvestors@somanytiles.co.in, Website: www.somanyceramics.com

ASSENT / DISSENT FORM FOR VOTING ON AGM RESOLUTIONS

1. Name(s) & Registered Address of the sole/first named Member :
2. Name(s) of the Joint-Holder(s), if any :
3. i) Registered Folio No. :
ii) DP ID No. & Client ID No. :
[Applicable to Members holding shares in dematerialized form]
4. Number of share(s) held :
5. I/We hereby exercise my/our vote in respect of the following resolutions to be passed for the business stated in the Notice of the 46th Annual General Meeting dated 26th May, 2014, by conveying my/our assent or dissent to the resolutions by placing tick (✓) mark in the appropriate box below:

	Resolution	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Ordinary Business				
1	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the Financial year ended 31 st March, 2014			
2	Approval of final dividend for the financial year ended 31 st March, 2014			
3	Appointment of a Director in place of Shri G L Sultania, who retires by rotation and being eligible, seeks re-appointment			
4	Retirement of Shri R. L. Gaggar, Independent Director of the Company			
5	Appoint M/s Lodha & Co. as the auditors of the Company			
Special Business				
6	Appoint Shri Shreekant Somany as Chairman and Managing Director of the Company			
7	Appoint Shri Abhishek Somany as Managing Director of the Company			
8	Appoint Shri Siddharath Bindra as an Independent Director of the Company.			
9	Appoint Shri Narayan Anand as Non-Executive Director of the Company			
10	Appoint Shri R. K. Daga as an Independent Director of the Company			
11	Appoint Shri Salil Singhal as an Independent Director of the Company			
12	Appoint Dr. Y. K. Alagh as an Independent Director of the Company			
13	Appoint Shri Ravinder Nath as an Independent Director of the Company			
14	Approve Remuneration of Cost Auditor for the Financial year ending 31 st March, 2015			

Place :

Date :

Note:

1. If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
2. Last date for receipt of Assent/Dissent Form: 30th August, 2014.
3. Please read the instructions printed overleaf carefully before exercising your vote.

Signature of the Member

Or

Authorised Representative

INSTRUCTIONS

General Instructions

1. Shareholders have option to vote either through e-voting i.e. electronic means or to convey assent/dissent in physical form. If a shareholder has opted for Physical Assent / Dissent Form, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through both physical assent/dissent form and e-voting, then vote cast through e-voting shall be considered and treated as valid and vote cast through physical assent/dissent shall be treated as invalid.
2. The notice of Annual General Meeting is dispatched/e-mailed to the members whose names appear on the Register of Members as on 25th July, 2014 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders as on the said date.
3. Voting through physical assent/dissent form cannot be exercised by a proxy. However, corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization, as stated below.

Instructions for voting physically on Assent/Dissent Form

1. A Members desiring to exercise vote by Assent/Dissent should complete this Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, Mr. Pravin Kumar Drolia, Practicing Company Secretary and send the same at their cost to reach the Scrutinizer at his office at 9, Crooked Lane, 3rd Floor, Kolkata-700 069 on or before the close of working hours i.e. 6:00 P.M. on 30th August, 2014. Forms received after this date will not be entertained.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies etc.), the completed Assent/Dissent Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
4. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (*J*) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. There will be one Assent/Dissent Form for every folio/client id irrespective of the number of joint holders.
7. A Member may request for a duplicate Assent/Dissent Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No.1 above.
8. Members are requested not to send any other paper along with the Assent/Dissent Form. They are also requested not to write anything in the Assent/Dissent form excepting giving their assent or dissent and putting their signature. If any such other paper is sent the same will be destroyed by the Scrutinizer.
9. The Scrutinizer's decision on the validity of the Assent/Dissent Form will be final and binding.
10. Incomplete, unsigned or incorrectly ticked Assent/Dissent Forms will be rejected.