

21st August, 2021

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

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

Sub: Submission of Annual Report and Notice of 53rd Annual General Meeting of the Company, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please find enclosed herewith the Annual Report and Notice convening the 53rd Annual General Meeting of the Company to be held on Wednesday, the 15th September, 2021 at 12 Noon (IST) through Video Conferencing or Other Audio Visual Means.

Kindly take the same on record.

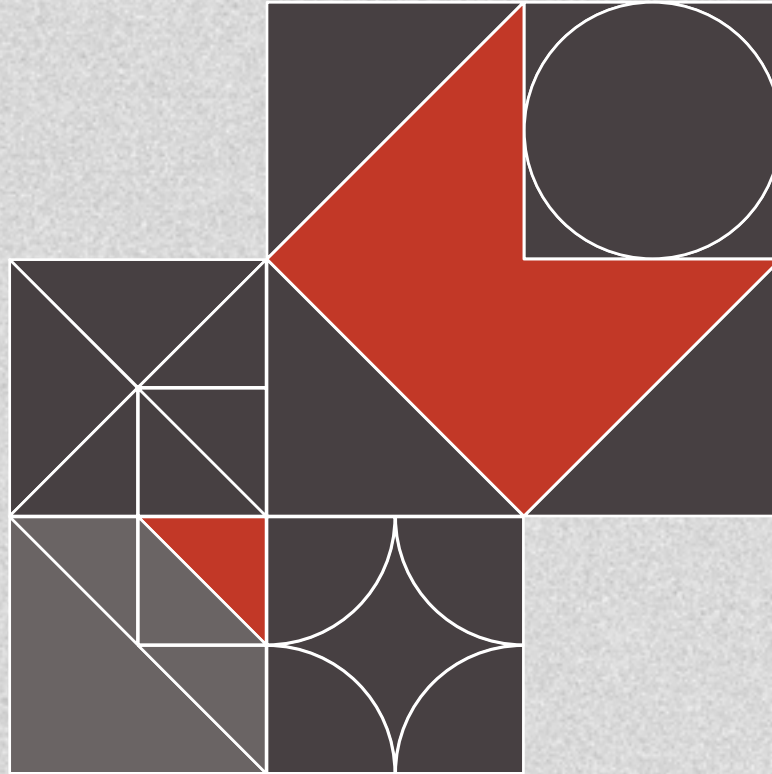
Thanking you,
Yours faithfully,
For Somany Ceramics Limited



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

Encl: as above





SHIFTING GEARS

Forward-looking Statement

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

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Shifting gears

At Somany Ceramics Limited, there are three big messages coming out of our performance in 2020-21.

One, we have zero net debt on our books.

Two, we completed the year under review with the largest cash surplus since our existence.

Three, we are presently engaged in our largest capacity expansion.

When you put these realities together, you get the makings of a new Somany Ceramics that is likely to move faster, emerge bigger and become more profitable.

Somany Ceramics Limited.

A brand for tiles and bathware recalled around the word 'premium'.

A company widening its presence across India so that a Somany retailer is never far away.

A company transforming its financial structure to emerge cash-rich and debt-free.

A company positioned to grow faster and more sustainably across the foreseeable future.



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



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



Background

Somany Ceramics Limited embarked on its journey in 1971, spearheaded by the late Mr. H. L. Somany. Over the last five decades, the Company has emerged as a leading company in the Indian ceramic tiles industry for its ability to evolve with changing consumer preferences.



Employees

The Company was empowered by a strong workforce of 1934 permanent employees and 1077 contractual workers as on 31st March, 2021.



Listing

Somany Ceramics is listed on BSE Limited and National Stock Exchange of India Limited. The Company's market capitalisation was ₹1,80,303 Lakhs as on 31st March 2021.



Manufacturing plants

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



Brand

The Company markets the following brands of tiles and bathware products:

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



Products

The Company offers a diversified product portfolio ranging from ceramic wall and floor tiles, polished vitrified tiles and glazed vitrified tiles to sanitaryware and bath fittings. Somany possesses one of the largest design archives of tiles in the country.



Network

The Company has a robust distribution network of around 10,000 touchpoints comprising more than 3,000 dealers and 383 showrooms. This makes it possible for the Company's products to be marketed across the country and a significant part of the world.

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



Milestones

1968

Incepted by the late Mr Hira Lal Somany.



1971

Somany Pilkington Limited established its first manufacturing unit in Kassar, Haryana, in collaboration with Pilkington Tile Holding (UK), and started commercial production in November 1971 with an annual manufacturing capacity of 0.51 million square metres.



1981

The Company established its manufacturing plant in Kadi, Gujarat.



1994

The Indian promoters acquired shareholding by Pilkington in the Company.

1995

The Company installed a new production line at Kassar, which increased manufacturing capacity by 6000 square metres per day.



1996

The Company received the Government's recognition for its R&D facility, a first in India's tile industry.



1998

The Company received ISO Certification for Quality Management System.



2000

The Company started importing tiles from the best players in Europe under the brand of Somany Global.



2001

The Company set up a new floor tiles manufacturing unit plant at Kadi with a capacity of 6000 square metres per day.



2007

The management changed the name of the Company to Somany Ceramics Ltd.; ventured into sanitaryware space.

2009

The Company received a patent for its VC Shield product, India's highest abrasion-resistant tiles, a first in the Indian tile industry. Started 'Tile Master' program to uplift the livelihood of masons.

2010

The Company commissioned first GVT manufacturing facility; widened the Bathware vertical by adding bathfitting products.

2011

The Company re-branded itself with a changed logo; it received prestigious the Power Brand award for its perception, performance and brand recall.

2012

The Company launched the Duragress range of products; received the Indian Power Brands Award second time in a row.

2014

The Company acquired a subsidiary and started manufacturing sanitaryware in its facility; it received the Corporate Technical Achievement Award from American Ceramic Society (ACerS) for VC Shield.

2017

The Company launched a television campaign to reinforce brand visibility across the digital, radio and print media.

2018

The Company acquired a subsidiary and started manufacturing bath-fittings.

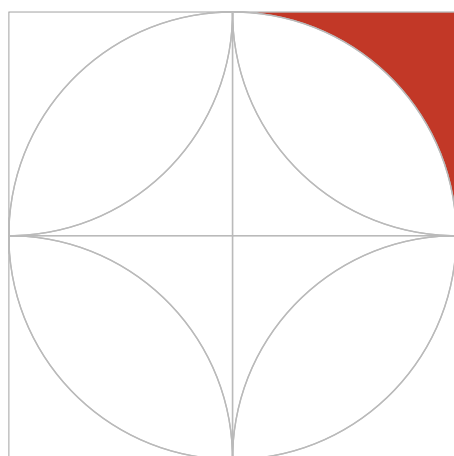
2019

The Company commissioned its first manufacturing facility in South India; Salman Khan became the Brand Ambassador; ventured into the business of water heaters.

2020

The Company became net debt-free.

How Somany's performance strengthened each quarter in 2020-21



The financial health of our business

Revenues (₹ Lakhs)

Quarter one	Quarter two	Quarter three	Quarter four
16900	42300	49000	56200

EBITDA (₹ Lakhs)

Quarter one	Quarter two	Quarter three	Quarter four
(1200)	4900	6300	9000

Profit after tax (₹ Lakhs)

Quarter one	Quarter two	Quarter three	Quarter four
(2600)	2100	3100	3500

Cash profit (₹ Lakhs)

Quarter one	Quarter two	Quarter three	Quarter four
(1187)	3633	4647	5168

The financial hygiene of our business

EBITDA margin (%)

Quarter one	Quarter two	Quarter three	Quarter four
(6.9)	11.7	12.9	16.0

Interest cover (x)

Quarter one	Quarter two	Quarter three	Quarter four
(0.84)	5.62	7.08	8.00

Interest outflow (₹ Lakhs)

Quarter one	Quarter two	Quarter three	Quarter four
1153	982	941	934

<p>How we performed in the locked-down first quarter</p>	<ul style="list-style-type: none"> ▪ The Company's sales de-grew 56% with virtually no sales during the first two months; sales were largely derived from Tier-III, Tier-IV and Tier-V towns (offtake from this footprint increased from 70% of all offtake to 80%) 	<ul style="list-style-type: none"> ▪ Capacity utilisation was 44% in June 2020 ▪ The Company engaged in an extensive rationalisation of costs and overheads ▪ Receivables peaked at ₹28000 Lakhs in this quarter before 	<p>declining to ₹19800 Lakhs by June end 2020</p> <ul style="list-style-type: none"> ▪ Organised players carved out a larger market share over unorganised players
<p>How we performed in the recovering second quarter</p>	<ul style="list-style-type: none"> ▪ Average capacity utilisation increased to ~80% ▪ The Company lost sanitaryware and bath fitting sales due to the non-availability of material and labourers 	<ul style="list-style-type: none"> ▪ The Company reduced ₹10,000 Lakhs debt at the consolidated level; it emerged net debt-free at the standalone level ▪ The South India plant (Sudha Ceramics) touched 100% capacity utilisation 	<ul style="list-style-type: none"> ▪ The Company reduced inventories and receivables and increased trade payables, moderating working capital outlay
<p>How we sustained our growth in the revived third quarter</p>	<ul style="list-style-type: none"> ▪ Sales grew 11.8% (standalone) and 12.8% (consolidated); the Company improved its GVT mix ~2% on a 9-month basis and on Q3 basis over the previous year ▪ Capacity utilisation was near-100% across the quarter (except sanitaryware) ▪ Brand spend was maintained at around 2.5% of revenue, covering four major airports (Kolkata, 	<p>Delhi, Mumbai and Bangaluru) and promotions; the Company sponsored the Big Boss television programme for two months</p> <ul style="list-style-type: none"> ▪ Receivables declined from 63 to 56 days of turnover equivalent; net-debt level remained nil; the Company drew no working capital from banks ▪ The Company reduced its exposure to private builders to 	<p>less than 5%</p> <ul style="list-style-type: none"> ▪ The Company enhanced tile value; it added approximately 200 dealers ▪ The Company suffered an unprecedented increase in gas prices
<p>How we ended the fourth quarter</p>	<ul style="list-style-type: none"> ▪ The Company's sales grew by 58% (standalone) and 58.8% (consolidated) ▪ The Company achieved ~100% capacity utilisation across the quarter ▪ Receivables cycle improved from 56 days to 51 days 	<ul style="list-style-type: none"> ▪ The Company's cash surplus stood at ₹25221 Lakhs at the end of the quarter ▪ The Company recorded a significant reduction in finished goods inventory 	

Products overview



Tiles
Revenues (2020-21) as
% of overall revenue

88.8

Ceramic tiles



Revenues (2020-21) as
% of overall revenue

34.6

Capacity: msm per
annum

28

Number of joint
ventures

2

Manufacturing
facilities

4

Polished vitrified tiles



Revenues (2020-21) as
% of overall revenue

31.5

Capacity: msm per
annum

15

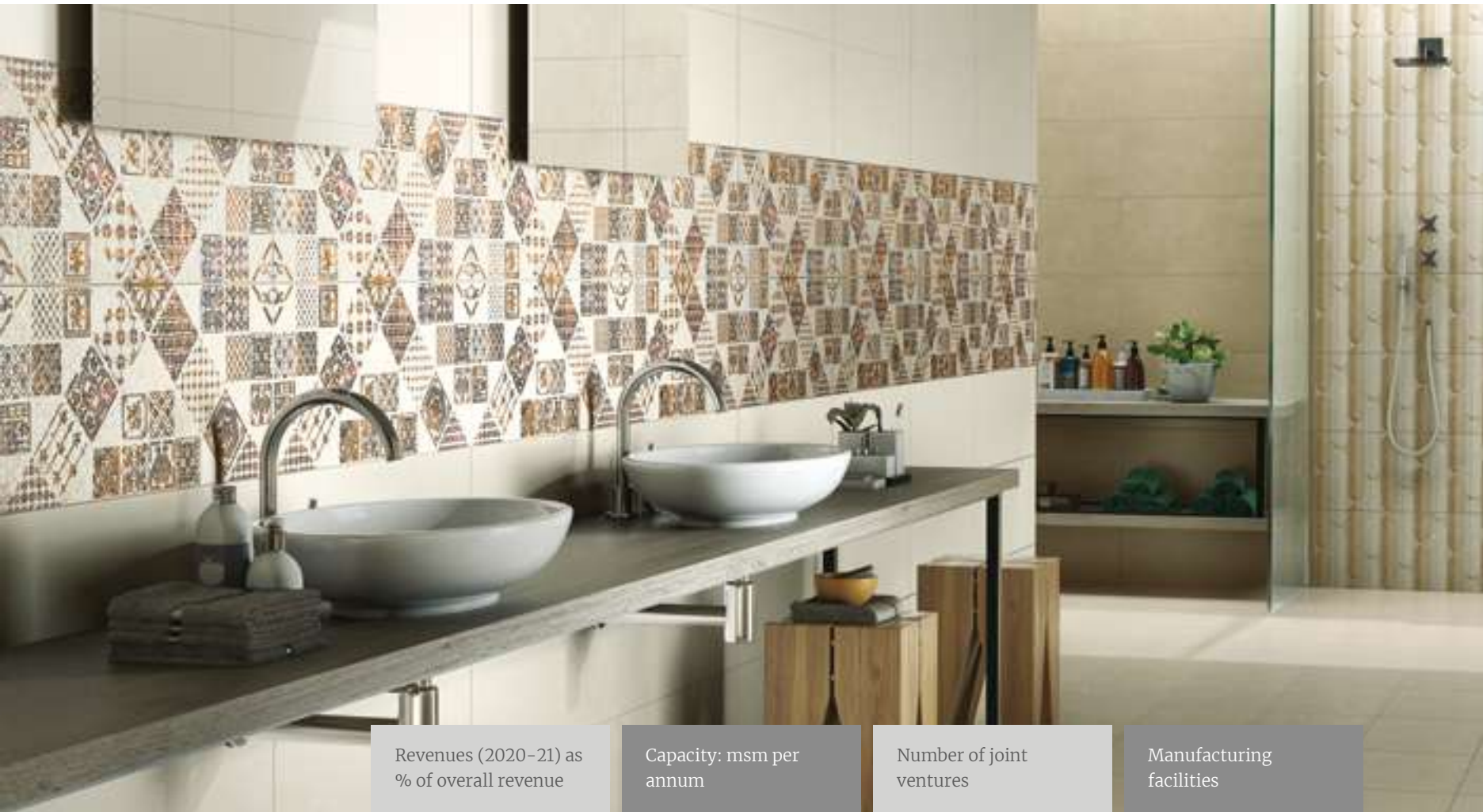
Number of joint
ventures

4

Manufacturing
facilities

4

Glazed vitrified tiles



Revenues (2020-21) as
% of overall revenue

22.7

Capacity: msm per
annum

10

Number of joint
ventures

1

Manufacturing
facilities

2

Sanitaryware



Revenues (2020-21) as
% of overall revenue

6.2

Capacity: million pcs
per annum

1.15

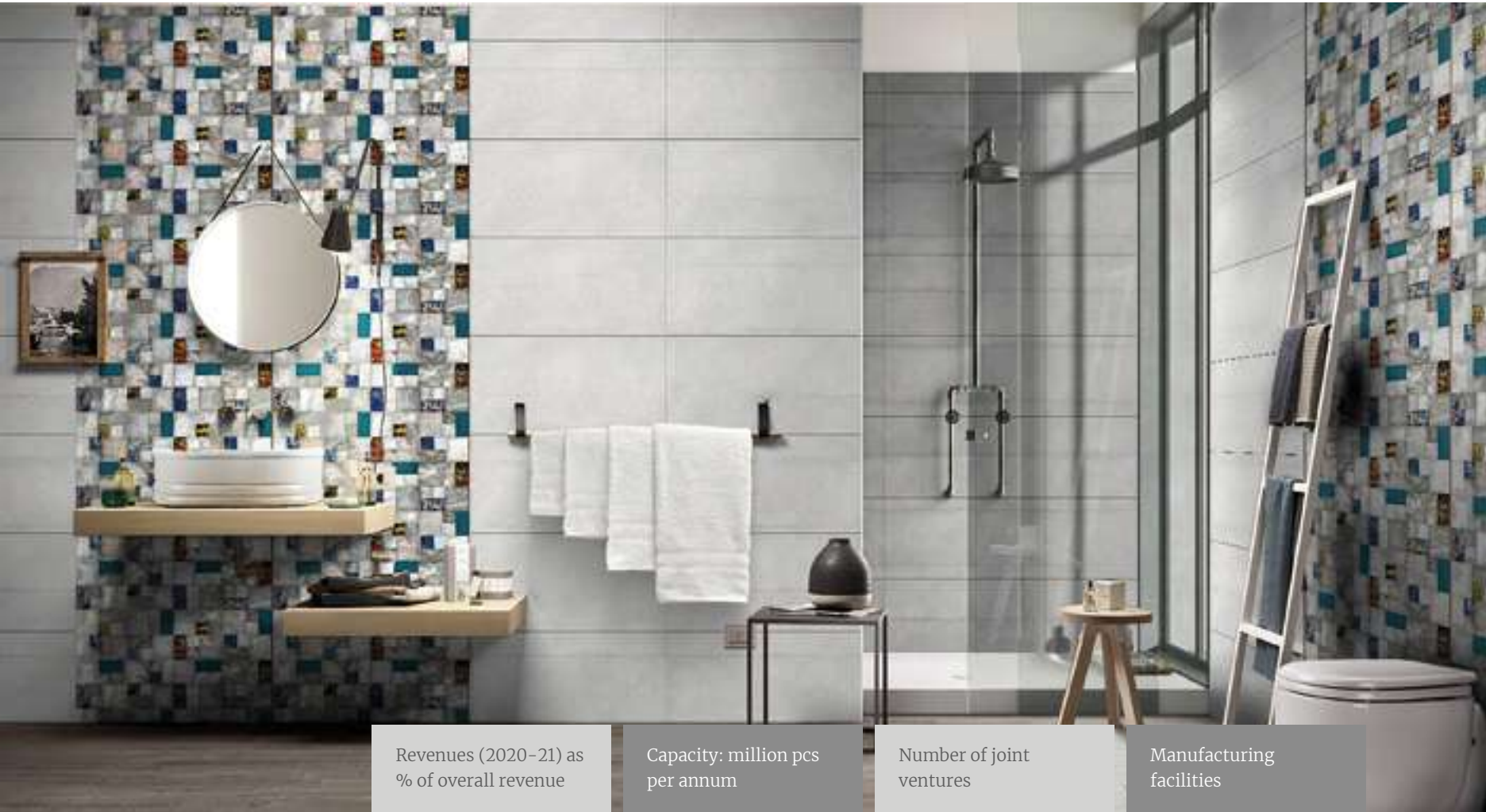
Number of joint
ventures

1

Manufacturing
facilities

1

Bath fittings



Revenues (2020-21) as
% of overall revenue

3.9

Capacity: million pcs
per annum

0.65

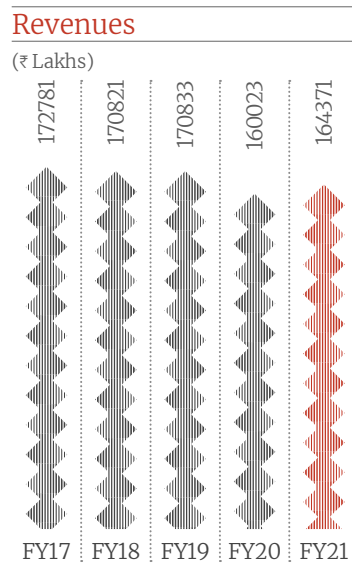
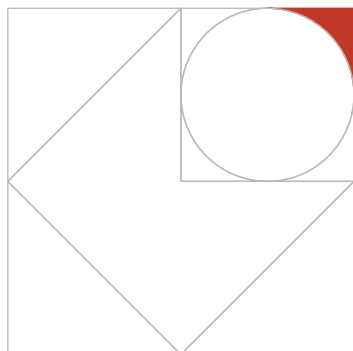
Number of joint
ventures

1

Manufacturing
facilities

1

How we have grown in the last few years



Definition

Sales figure net of taxes

Why is this measured?

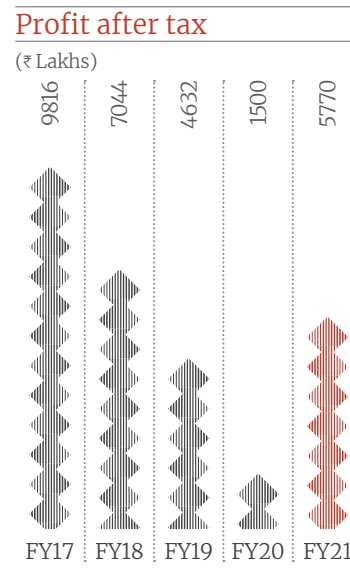
It highlights the brand acceptance and sales of the Company in the market

Performance

The Company reported a marginal increase in revenue, which is creditable considering that the Company lost a large part of the first quarter of the year under review to the effect of the pandemic-induced lockdown

Value impact

Protected the Balance Sheet from serious impairment in a challenging year



Definition

Profit earned during the year after deducting all expenses and provisions

Why is this measured?

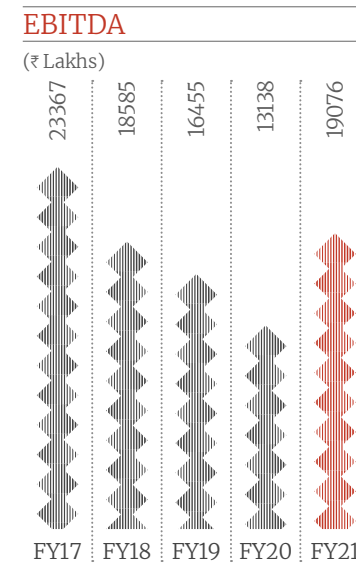
It highlights the strength in the business model in generating value for its shareholders

Performance

The Company reported a profit after tax of ₹5770 Lakhs during the year under review, a sharp improvement over the previous financial year and the highest in two years

Value impact

Ensured that adequate cash was available for reinvestment and allowed the Company's growth engine to sustain



Definition

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

Why is this measured?

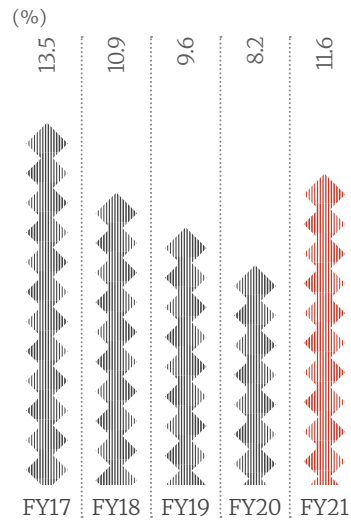
It is an index that showcases the Company's ability to optimise business operating costs despite inflationary pressures and can be easily compared with the retrospective average of sectoral peers.

Performance

The Company's EBITDA in 2020-21 was inched towards what the Company had delivered in 2016-17, a creditable achievement in a year marked by the effective working across only three full quarters

Value impact

Helped create a robust revival engine for sustainable growth

EBITDA margin**Definition**

EBITDA margin is a profitability ratio used to measure a company's competitiveness and operating efficiency

Why is this measured?

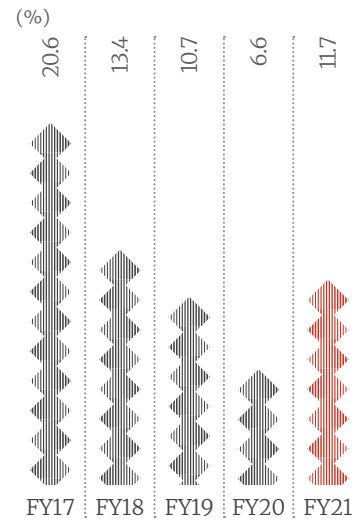
The EBITDA margin provides an idea of how much a company earns (before accounting for interest, depreciation and taxes) on each rupee of sale

Performance

The Company reported its highest EBITDA margin in 4 years during a financial year where the first quarter was affected on account of the lockdown, indicating the improving profitability of the business

Value impact

Demonstrated adequate buffer in the business, which, when multiplied by scale, enhanced profitability.

RoCE**Definition**

It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business

Why is this measured?

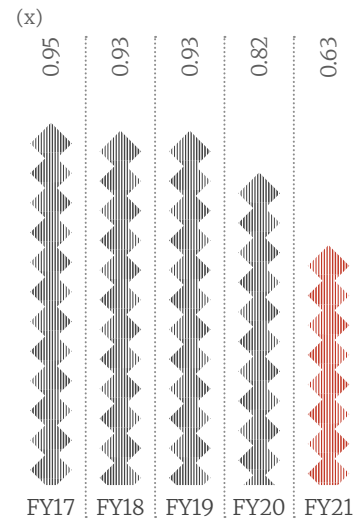
RoCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors

Performance

The return on capital employed of the Company increased by nearly 500 bps despite the Company reporting robust sales in only three quarters, indicating the improving profitability of the business model

Value impact

Enhanced RoCE catalysed valuations and perception

Debt-equity ratio**Definition**

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

Why is this measured?

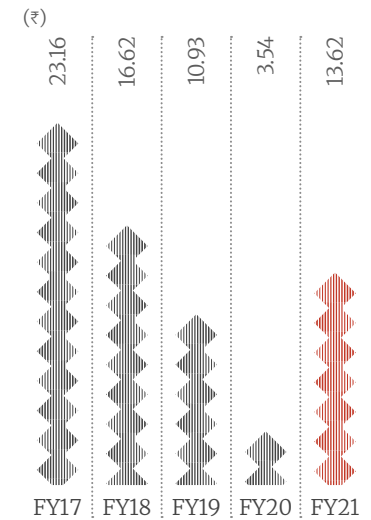
It is a measure of the Company's financial health, which indicates the financial leverage of the Company compared to shareholders' funds

Performance

The Company's gearing at 0.63x in 2020-21 was the lowest in 10 years, indicating rising liquidity and Balance Sheet re-sizing

Value impact

Enhance shareholder value through lower interest outflow and enhanced financing of the business through net worth

Earnings per share**Definition**

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

Why is this measured?

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

Performance

The Company's EPS for 2020-21 increased sharply to its highest in two years despite operating sub-optimally during a lockdown-induced first quarter

Value impact

Enhanced earnings per share enhanced value in the hands of shareholders.



The two words that I would like to communicate to the shareholders are 'structural shift'.

These words were responsible for disproportionate growth within a compressed period of time. The words were responsible for Somany Ceramics arriving at a watershed in its existence and embarking on its largest expansion. They were responsible for optimism that the organised Indian ceramic tiles sector is headed for a multi-year growth opportunity.

The first structural shift I would like to talk about is the sharp growth in the Indian economy following the unprecedented lockdown in the first quarter. The Indian economy reported the sharpest growth across any major economy following the first quarter. The economy turned positive in view of the possibility that three down cycles – long-term, medium-term and short-term – were reversing at the same time. The long-term downtrend, as a result of non-performing assets, scams and overcapacity, appeared to have run its course; the medium-term downtrend that was caused by the ILFS crisis, select banks' collapse and weakening NBFCs also appeared to have ended; the short-term downtrend on account of the pandemic weakened after the first quarter. The result was an unprecedented economic recovery despite the fact that the country continued to suffer through the pandemic. Even as the country was affected by the second pandemic surge from March 2021 onwards, there was a robust optimism that the rebound in the economy, barring minor interruptions, was there to stay and that India had entered a multi-year economic recovery.

The second structural shift transpired during the challenging days of the lockdown. As working professionals found it impossible to operate from their formal workplaces, they were compelled to work from home. This handicap turned into an opportunity; as soon as individuals and their employers realised that working from home enhanced productivity, eliminated commuting costs / time and probably presented a better way of working, there was a greater willingness to consider this as a long-term possibility. A number of large companies (especially from the space-intensive IT sector) announced a long-term direction to have a sizeable proportion of their employees work from home to enhance their personal safety and reduce their costs.

The third structural shift was the recovery of India's real estate sector. India's real estate sector passed through nearly seven years of an extended downtrend, marked by a plateauing of real estate prices and offtake. When realty prices turned sluggish, serious buyers stayed away on the grounds that perhaps prices would decline and they would be able to buy homes at a lower cost. By the third quarter of the year under review, it was becoming evident that this multi-year sluggishness was probably over.

The improvement in the health of the real estate sector was the result of various concurrent realities: rising disposable incomes, decline in interest rates to probably the lowest in India for a long time, rising pent-up demand that had remained bottled for years and the most affordable price-value proposition in around two decades. By the third quarter, it was evident that a decisive shift in market sentiment had commenced and the time had arrived for the consumer to go out and buy homes (the sentiment catalysed by the decision of the Maharashtra government to reduce stamp duty and construction premiums).

The fourth structural shift is likely to happen within the country's tiles sector. As the strong get stronger (as I believe companies like Somany Ceramics will) there could be a sectorial churn and consolidation through the mergers and acquisitions of brands, capacities and companies.

The fifth structural shift represented the positive outcome of a formalisation presently sweeping India's industry. Following demonetisation and GST introduction, there was a perception that with the cost difference narrowing between organised and unorganised players, there would be a demand shift for products away from the unorganised to organised players. This did not happen for a number of months; a large part of the trade system within India's ceramic tile sector bought from unorganised players on cash and worked outside the tax network. Then came the pandemic, when the unorganised players were extensively affected for various reasons: their labourers returned to their states of origin, they could not access unorganised or organised sources of finance; they could not supply to their trade partners. Besides, when the unorganised players were finally able to resume operations, the export market became

In the space of a few months, the structural shift from unorganised to organised intermediates (and manufacturers) became visible: a larger number of trade partners engaged with organised brands like Somany: for an ethical approach, engagement stability, brand visibility, consumer pull, pride of association, access to trade schemes and incentives, and a digitalised engagement.

attractive and these players diverted a large part of their output to the international market.

The ceramic tiles dealer was the most affected by this turn of events. The dealer encountered an unprecedented market demand with a decline in the availability of material from unorganised manufacturers, resulting in a notional loss of revenues and profits. On the other hand, the dealers who worked consistently with organised and branded players did not just do more business; they were able to carve away a market share at the expenses of their competitors who had depended disproportionately on unorganised manufacturers.

In the space of a few months, the structural shift from unorganised to organised intermediates (and manufacturers) became visible: a larger number of trade partners began to engage with organised brands like Somany: for an ethical approach, engagement stability, brand visibility, consumer pull, pride of association, access to trade schemes and incentives, and a digitalised engagement that enhanced operational trust and transparency. The dealer may have now been trading marginally higher but was enjoying a stability in volumes, margins and business predictability.

The sixth structural shift came with our decision to embark on the journey of sustainability and reciprocate the trust our

stakeholders have put in us. We are presenting sustainability disclosures as a part of this report, which will showcase our efforts towards responsible growth. Going ahead, we will remain committed to fulfilling our stakeholder expectations, enhance our health and safety performance and report a positive impact on the environment and society.

The coming together of these structural shifts resulted in a creditable year for our Company. Revenues were ₹164371 Lakhs in 2020-21 compared with ₹160023 Lakhs in 2019-20; cash profit was ₹11844 Lakhs compared with ₹6146 Lakhs in the previous year; profit after tax was ₹5770 Lakhs in 2020-20 compared with ₹1500 Lakhs in the earlier year. Considering that the first quarter of the year under review was virtually lost to us, we believe that our performance in the subsequent three quarters represented more than just a rebound: the performance represented a watershed in our existence.

The convergence of the structural realities provides me with the optimism that this outperformance represents the start of a new journey. This journey will be marked by larger capacity investments, quicker revenues growth, higher margins, better return on employed capital and superior value in the hands of our stakeholders.

Shreekant Somany
Chairman

“We shifted gears and prepared to enter a period of sustained overdrive starting 2020-21”

Abhishek Somany reviews the Company's performance during the year under review



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

A: I want to say this upfront: the year 2020-21 was Somany Ceramics' most decisive year for its sheer transformative impact.

When the Company entered the financial year, there was an uncertainty about how the year would pan out; when the Company ended the financial year, it possessed a strategic clarity of where it was headed.

When the Company entered the financial year, there was a pressure on cash flows; when the Company ended the financial year, it possessed ₹25221 Lakhs of cash on the books.

When the Company entered the financial year, there was no perspective of how it would fully utilise its manufacturing facilities; by the time the Company ended the financial year, the Company had announced the largest capacity expansion in its history.

Q: What reasons contributed to this sweeping transformation?

A: There is just one over-arching reason: the passion of Somany Ceramics. The Company had embarked on a journey that questioned most operating practices, sought improvements in virtually every area of operations and made the good better. This had begun before the pandemic; when the lockdown was announced, the usual reaction would have been to put everything on hold and wait for market conditions to normalise. What makes the Somany Ceramics story different is that after the lockdown was announced, the Company went into an overdrive: the greater the market uncertainty, the stronger the urgency to make positive change happen. The Somany Ceramics team deepened empowerment and transparency within the organisation. The

result is that when the lockdown relaxed, our empowered teams were prepared to manufacture more, market more and recover proceeds faster. The result you will find in our quarter-to-quarter improvements through the course of the year.

Q: What caused the sharp turn in market sentiment that catalysed growth at the Company?

A: Before I answer this question, I do not wish to sound that we knew exactly how the markets would respond when the lockdown would be progressively relaxed. We did not; we had expected a reasonable recovery; what transpired was a full-blown turnaround that started from the month of July 2020 and grew in quantum and velocity every single month thereafter into the fourth quarter. At the start of the financial year, we were apprehensive of the inventory lying within our factories and trade partners; during the course of the year, we experienced a stock-out and lost a notional ₹7000 Lakhs in revenues because the market was buying faster than the speed with which we could produce or replenish.

Coming to the question of what made this happen. In retrospect, it appears that unknown to us, a number of sectorial and economic down cycles were petering out by the close of 2019-20; the impending recovery was deferred on account of the lockdown but when the lockdown was partially lifted, the pent-up demand of the previous few years came to the fore.

The second reason could be the need for consumers - locked into their homes - to considering moving into better homes. This should not be seen as a knee-jerk reaction; it must be seen within the context of a sustained slowdown within the country's real estate sector, the accumulation of disposable

incomes, the relative decline in the price of homes and decline in the mortgage finance rates. A combination of all these realities translated into a sheer force and quantum of pent-up demand, which took virtually every company within our sector by surprise; after a washed-out first quarter, there was a premium on the ability to manufacture as much as possible to service the growing appetite of the marketplace.

Q: How did this transform the Company's fundamentals?

A: Somany Ceramics' fundamentals became structurally transformed: the inflows resulted in the repayment of all debt; in the later quarters the surplus (that would have been used to service interest or repay debt) was added to the cash corpus; the Company used this corpus to provide trade partners with an incentive to buy tiles by paying cash upfront; this started a virtuous cycle of lower receivables, healthier cash flows and stronger



What makes the Somany Ceramics story different is that after the lockdown was announced, the Company went into an overdrive: the greater the market uncertainty, the stronger the urgency to make positive change happen



In February 2021, the Company announced a capacity expansion by ~20%, the largest aggregate capacity expansion in its existence.

terms of trade. The result is that the Company finished the year under review with ₹25221 Lakhs of net cash on its books, the first ever time that the Company possessed net surplus (after factoring debt).

The Company capitalised on this fiscal competitiveness. In February 2021, it announced a capacity expansion by 20%, the largest aggregate capacity expansion in its existence. The import of these realities was that the Company readied itself for the strongest multi-year growth outlook in its existence.

Q: Shareholders would want to know whether the expansion is secured and does not represent a risk.

A: There are some good reasons why the capacity expansion was not only advisable but necessary.

One, the structural shift in consumer preference from unorganised to organised

brands makes it imperative to commission additional capacity with speed or risk losing market share to competitors who expand faster than us.

Two, the Company outsourced around ₹300 Lakhs of tiles from third party manufacturers during 2020-21; the expansion will ensure that we now insource this quantum, accounting for only around 17% of our capacity expansion, and generating a higher value-addition.

Three, the expansion is likely to generate a higher return on the deployed corpus than the cash sitting on the Company's books.

Four, the Company will expand its premium GVT capacities across all its plants; the investment payback is expected to range from one-and-a-half years to six years in a business where the technology has been fairly stable.

Five, the expansion, when commercialised, will accelerate the virtuous cycle with a higher

output of higher value-added margins with no debt, growing the multi-year surplus.

Q: Stakeholders would want to know the non-financial performance of the organisation.

A: Over the years, we have all experienced heightened environmental and societal challenges. Integrating sustainability in our approach is the way we can combat these challenges. We started focusing on this aspect of our business and the non-financial (sustainability) disclosure in this report is the result.

We mitigated the environmental impact of our operations through the increased use of natural gas over coal in our production process, reducing emissions. We became a zero-liquid discharge company, recycling all treated water inside our factory compounds.



As a part of our CSR initiatives, we restored historical sites, promoted art and culture, and took care of the destitute while engaging in rehabilitation and education. We regularly engaged with masons under our 'Tile Master Program', contributing to their development.

Q: When will the expansion be commissioned? How will it strengthen the Company's revenue profile?

A: The Company expects to commission its ongoing expansion by the fourth quarter of 2022-23. At peak, the Company expects to report an annual turnover of around ₹2,50,000 Lakhs. We expect our operating margins to strengthen from this point. Much of the value that we derive from the EBITDA level will be value-accretive (except for tax), ensuring a strong pass-through to our bottom line. As a forward-looking company, we expect

to reinvest that corpus. As a result, our investment cycles are likely to get larger and more frequent, enhancing value for all our stakeholders.

Q: Would you be able to explain the dynamics of exports and how that influenced the domestic market?

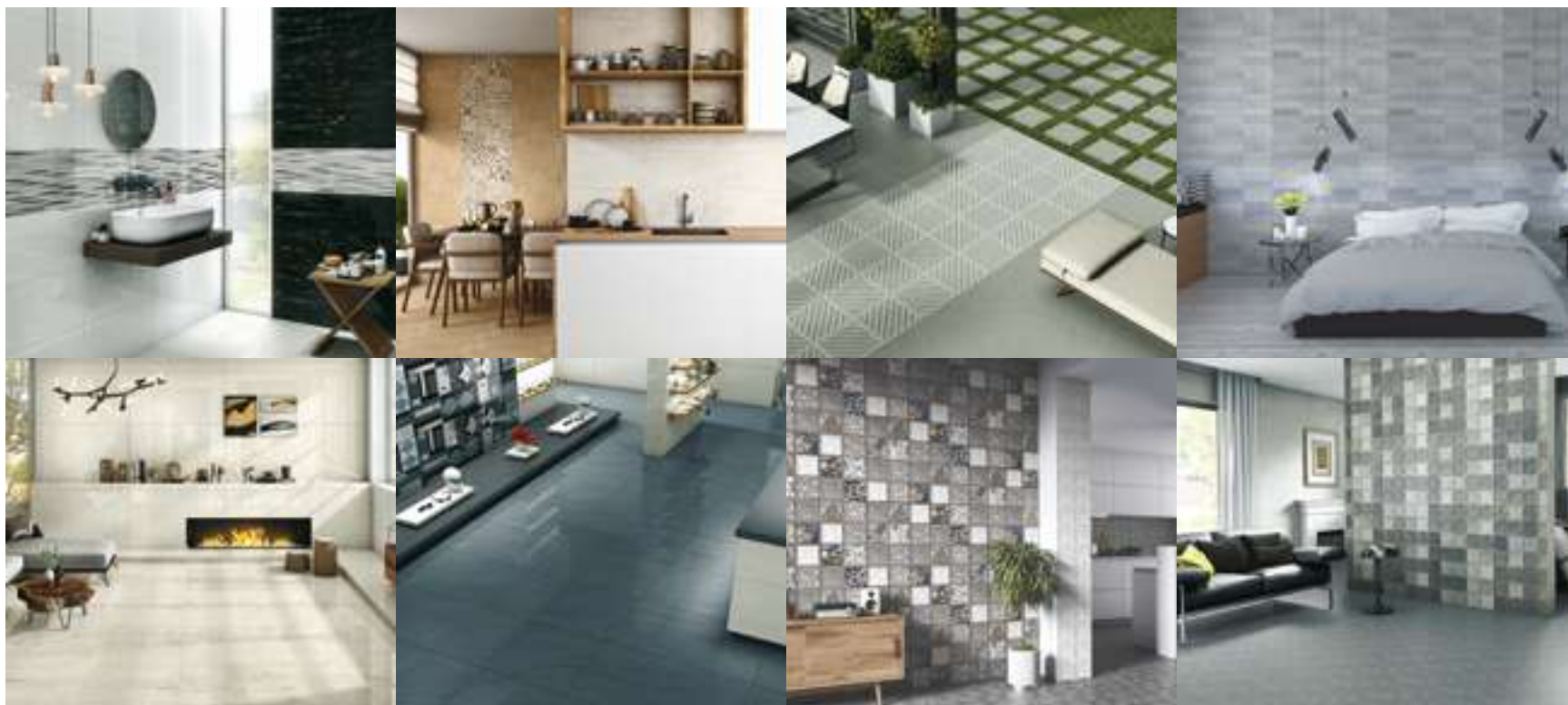
A: China used to export approximately 1.7 billion square meters of tiles per annum. A number of countries announced anti-dumping duties on these exports, so some of that demand moved to India. Manufacturers from Morbi capitalised, enhancing their proportion of export revenue from around 20% to 35%. The result was that these unorganised Morbi players reduced their exposure in India, creating a vacancy for organised brands like Somany to carve away market share, hopefully with sustainable implications. What gives me optimism is that India's total capacity is 1 million square meters per annum compared to

China's export volume that is 17 times larger, so even a small percentage moving to India could result in India enhancing its global exposure in a substantial way. The expansion was not just advisable from a cash flow perspective; there is a fundamental shift transpiring in the domestic market that Somany intends to address.

Q: What is the over-arching message you would like to leave with shareholders?

A: We have shifted gears and are prepared to enter a period of sustained overdrive from 2021-22.





Our strategic goals and blueprint

Goal	Achievements	Strategy
Maximising capacity utilisation	<ul style="list-style-type: none"> Increased capacity utilisation across all plants in the last three quarters of 2020-21 Outsourced 28.7% of production, enhancing the Company's capacity to service a growing market 	<ul style="list-style-type: none"> Announced a 20% capacity expansion, the largest in the Company's existence Expanded capacity to be on stream in the last quarter of 2022-23
Optimise costs	<ul style="list-style-type: none"> Re-looked all costs in the locked-down first quarter of 2020-21 Focused on digitalisation as a means of cost moderation Repaid ₹4,749 Lakhs of long-term debt; emerged zero net debt 	<ul style="list-style-type: none"> Increase operational automation and digitalisation with the objective to moderate costs further Moderate the Company's break-even point following accruals-driven investment in capacity expansion
Enhance business sustainability	<ul style="list-style-type: none"> Non-tile business accounted for 10.9% of revenues in 2020-21, a hedge against an excessive dependence on tiles Brand-led tile business increased 2.7% through the year and 22.0% in the last three quarters 	<ul style="list-style-type: none"> Non-tile business is expected to increase to around 12% of prospective revenues Introduce premium proprietary brands The Company's revenues (following expansion) are expected to increase 20%



Goal	Achievements	Strategy
Asset-light business model	<ul style="list-style-type: none"> ▪ The Company entered into joint ventures and outsourcing partnerships that accounted for 64.7% of revenues in 2020-21 ▪ The savings in investment as a result of the partnerships is estimated at more than ₹70,000 Lakhs in greenfield commissioning costs 	<ul style="list-style-type: none"> ▪ Following expansion, the Company will increase the proportion of installed capacity directly on its books (enhancing its share of revenues and profits in a growing market) ▪ The share of post-expansion GVT is expected to increase from 25% to 30%
Widen distribution footprint	<ul style="list-style-type: none"> ▪ Increased net dealer population by 700 in the three years ending 2020-21 ▪ Focused on maximising revenues per dealer ▪ Helped dealers generate a better sustainable RoI from their engagement with Somany 	<ul style="list-style-type: none"> ▪ Plug more white spaces across the Indian landmass ▪ Increase dealers by 300 in the next two years ▪ Increase dealers to facilitate increased sales following capacity expansion

Somany. Focused on enhancing value for all its stakeholders

Overview

There is a growing importance of the Integrated Value-Creation Report as a governance discipline.

This Integrated Value-Creation Report overcomes the shortcomings of the conventional communication approach through a comprehensive reporting framework that reconciles 'hard' and 'soft' initiatives into an integrated reporting format.

Integrated Reporting combines different reporting strands (financial, management

commentary, governance and remuneration, and sustainability reporting) into a coherent body that explains an organisation's holistic ability to create, enhance and sustain value.

The primary purpose of Integrated Reporting is to explain to providers of financial capital how an organisation enhances value over time. The impact of the integrated report extends beyond financial stakeholders; it enhances an understanding across all stakeholders - employees, customers, suppliers, business

partners, local communities, legislators, regulators and policy-makers - focused on an organisation's ability to enhance value across time.

Integrated Reporting highlights how green and ethical values drive long-term growth. This shift segment from the 'hard' to 'soft' (non-financial data) helps screen a company more comprehensively, addressing the needs of the investor fraternity/government agencies.

Holistic

Integrated Reporting is focusing on increasing value for all stakeholders in a sustainable way.

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

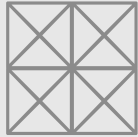
The Integrated Report highlights prudent resource utilisation across all stakeholders (employees, customers, suppliers, business partners, local communities, legislators, regulators and policy makers).

At Somany Ceramics Limited, the objective of our Integrated Reporting discipline is to enhance transparency, awareness and value

creation on initiatives related to revenue growth, cost moderation, enhanced quality, diversified portfolio, widening distribution, brand effectiveness, profit distribution (through dividends) and stringent governance.



Our sectoral context



Per capita consumption: India's per capita tile consumption is around 0.59 sq. metres compared with the global average of 1.40 sq metres and corresponding figures of 3.95 sq. metres and 3.39 square metres in China and Brazil respectively, an attractive available head room.



Rising population: India's population is anticipated to rise from 1.39 billion people in 2020 to 1.52 billion people by 2036, driving the need for homes which, in turn, could drive the for demand for tiles.



Favourable demographics: The Indian population's median age is expected to be 28 years in 2022 as against a global average of 30 years, indicating a youthful population driving aspiration-led offtake.



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

Somany's drivers of shareholder value-creation

01

Brand visibility

Invested average ~3% of turnover in brand promotion
Positioned the brand in premium locations (airports etc.)
Engaged Salman Khan as Brand Ambassador

02

Wider distribution footprint

Added 500 dealers in two years ending 2020-21
~75% dealers located in non-metro India
Plugged white spaces, strengthening offtake

03

Sustainably deleveraged

Repaid ₹16077 Lakhs in two years ending 2020-21
Zero net debt as on 31st March 2021
Cash balance of ₹25221 Lakhs as on 31st March 2021

04

Superior product mix

Focus on marketing more GVT tiles
Overall improvement in value-added product percentage
GVT tiles accounted for 25% of turnover, 2020-21

05

Sizable capacity creation

Announced ~₹20000 Lakhs capacity expansion in 2020-21
A combination of greenfield and brownfield expansion
Investment funded out of accruals (no debt)

06

Superior terms of trade

Receivables cycle declined 19.7% to 51 days of turnover equivalent in 2020-21
Working capital drawal from banks declined to 0% of sanction
Payables cycle extended 5.6% in 2020-21

07

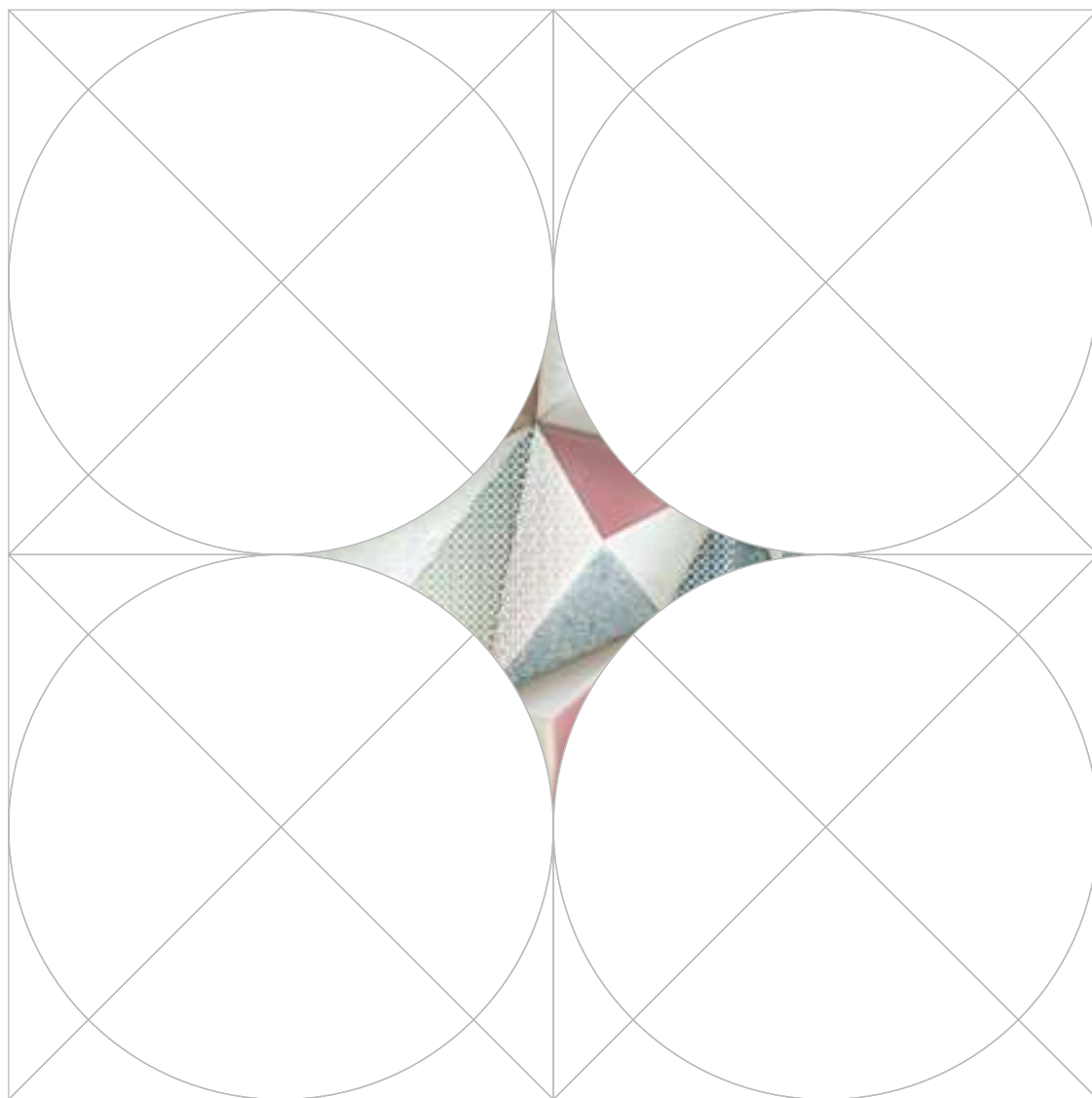
Responsibility

ESG-compliant business model
Extensively de-risked approach; established global corporate credibility
Focus on enhanced value for all stakeholders

08

Sustainability

Addressing growing national appetite
Investment in platforms for sustainable scalability
Comfortable Net debt/EBITDA; attractive credit rating



Our resources

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

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

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

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

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

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

How our valuation enhanced over the years

Capital appreciation

178714

₹ Lakhs, market capitalisation,
31st March 2019

38565

₹ Lakhs, market capitalisation,
31st March 2020

180303

₹ Lakhs, market capitalisation,
31st March 2021

Relative outperformance

1184.21

% growth in market
capitalisation (2010-11 to
2020-21)

154.60

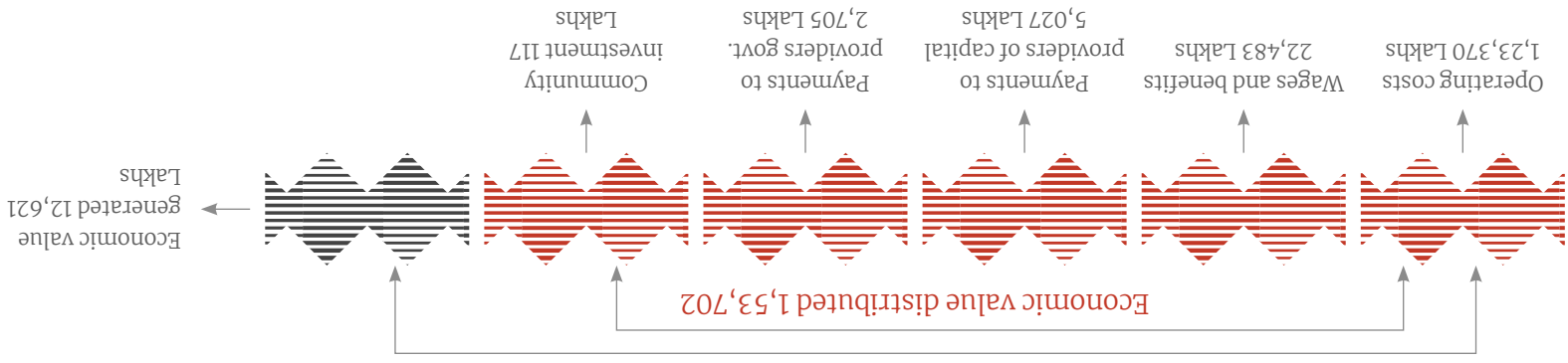
% growth in BSE Sensex
(equivalent period)

Our shareholder value-accretion strategy



Economic value generation and distribution

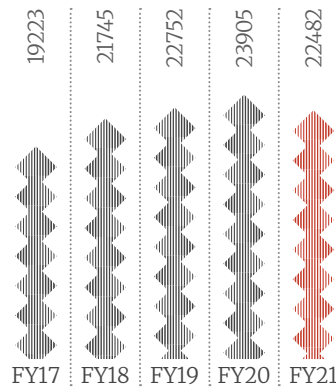
Revenues ₹1,66,323 Lakhs



Our value-creation down the years

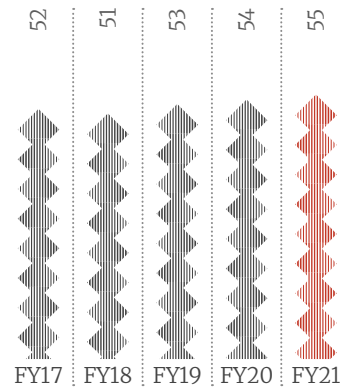
Employee value

Salaries and wages (₹ Lakhs)



The Company has invested a progressively larger amount in employee remuneration, underlining its role as a responsible employer, plugging necessary positions and enhancing competencies.

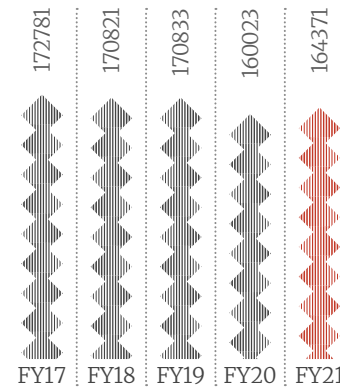
Revenue per person (₹ Lakhs)



The Company's investment in its people (training, empowerment and career growth) translated into increased productivity as measured in terms of revenue per person.

Customer value

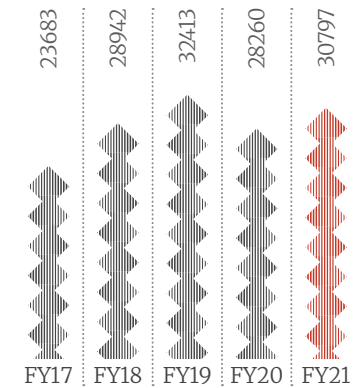
Revenues (₹ Lakhs)



The Company has generated increased revenues, an index of the value created for customers, coupled with an increase in the average items sold to each customer.

Vendor value

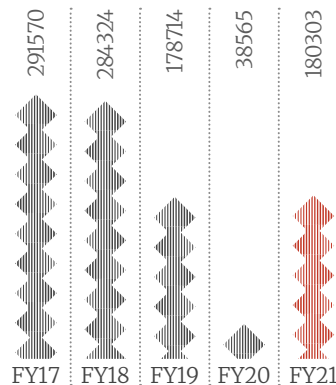
Procurement (₹ Lakhs)



The Company procured a larger quantum of resources through the years, strengthening procurement economies.

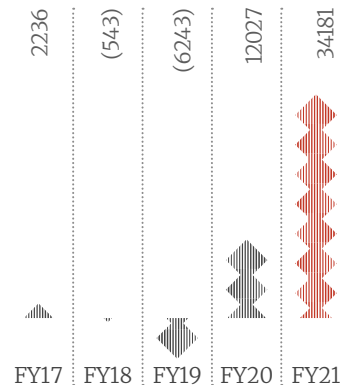
Shareholder value

Market capitalisation (₹ Lakhs)



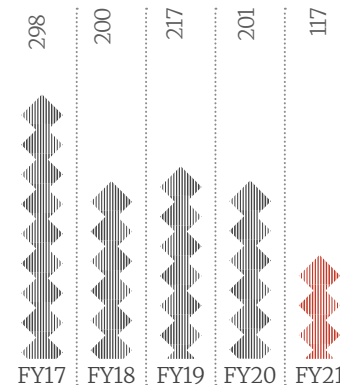
The Company strengthened shareholder value and cash flows through a complement of prudent business strategy, accrual reinvestment, leveraging of its value chain, cost management and share buyback.

Free cash (₹ Lakhs)



Community

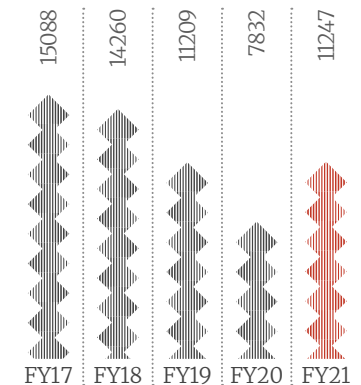
CSR investment (₹ Lakhs)



The Company enriched communities in the geographies of its presence through a complement of child feeding programmes and other initiatives.

Government

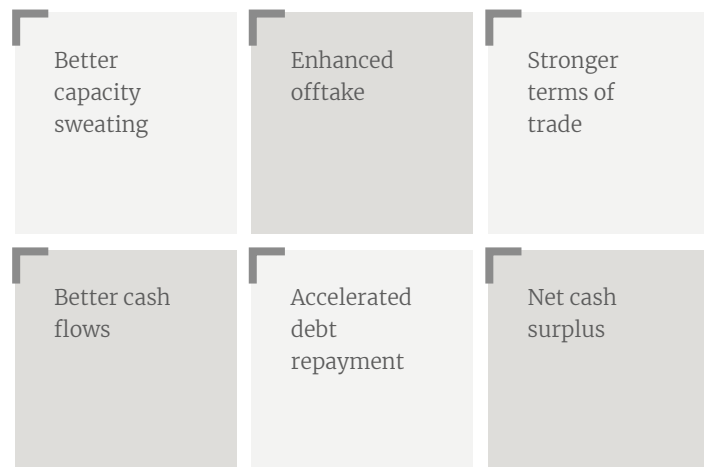
Taxes paid (₹ Lakhs)



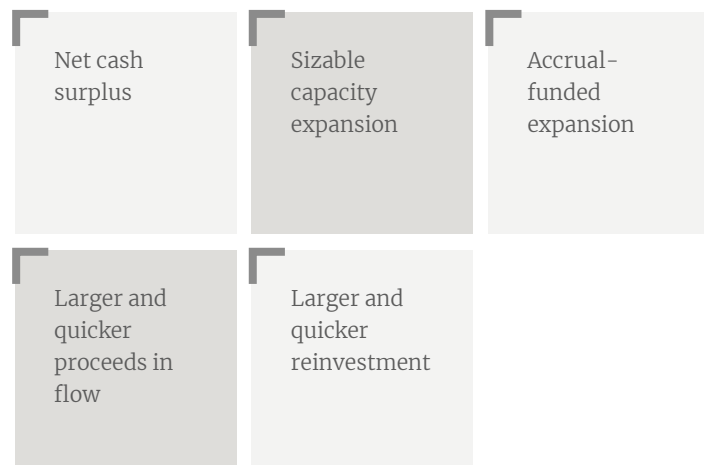
The Company reinvested in the nations where its operations are located through the prompt payment of taxes and other statutory dues.

Our value-creation approach

2020-21



After 2020-21



Consolidated financial highlights

(in ₹ Lakhs)

Particulars	2016- 17	2017- 18	2018- 19	2019-20	2020-21
Sales	1,72,781	1,70,821	1,70,833	1,60,023	1,64,371
EBITDA	23,367	18,585	16,455	13,138	19,076
Finance costs	3,897	3,992	4,592	4,941	4,010
EBDT	21,187	16,404	13,659	9,471	16,344
Depreciation	3,128	4,128	4,425	5,895	6,134
PBT	18,059	12,276	9,234	3,576	10,210
PAT	9,816	7,044	4,632	1,500	5,770
Share Capital	848	848	848	848	848
Reserves & Surplus	51,569	57,220	60,456	59,796	64,687
Deferred Tax Liability	4,739	5,236	5,315	3,583	3,213
Loan funds#	49,699	53,964	57,312	49,812	41,235
Gross Block (including CWIP)	61,157	73,321	82,859	92,921	96,473
Net Block (including CWIP)	57,926	67,169	73,029	77,662	75,820
Current assets	84,066	94,832	90,318	74,971	77,344
Current Liabilities##	26,076	34,057	30,271	25,560	28,690
Net Current Assets	57,990	60,775	60,047	49,411	48,654
Networth	52,417	58,068	61,304	60,644	65,535
Capital Employed	1,15,199	1,26,859	1,32,889	1,23,448	1,19,953
EPS (₹)*	23.16	16.62	10.93	3.54	13.62
Book value (₹)*	123.69	137.02	144.66	143.10	154.64
Dividend (₹)*	2.70	2.70	2.00	2.00	2.40
RoNW (%)	20.32	12.75	7.76	2.46	9.15
RoCE (%)	20.56	13.44	10.65	6.65	11.68
Debt Equity (times)	0.95	0.93	0.93	0.82	0.63

Including current maturities of loans

Excluding current maturities of loans

* Face Value of ₹2 per share

A responsible ESG commitment is central to our personality

Overview

At Somany Ceramics, a culture of environment-social-governance (ESG) resides at the core of our business. This commitment is critical considering that we manufacture a product that consumes natural resources, fossil fuels, electricity and water, any moderation in which can deliver significant environment upsides over time.

At Somany Ceramics, our commitment to environment responsibility has been centred round the 6P's: Purpose, People, Product,

Process, Profit and Planet. This platform – environment, social and governance – is directed to enhance long-term growth and value for all stakeholders.

Besides, there is a growing emphasis on aligning business existence with United Nations' 10 principles for manufacturing responsibility and environmental sustainability, covering Human Rights, Labour interests, Environment responsibility and Anti-Corruption initiatives.



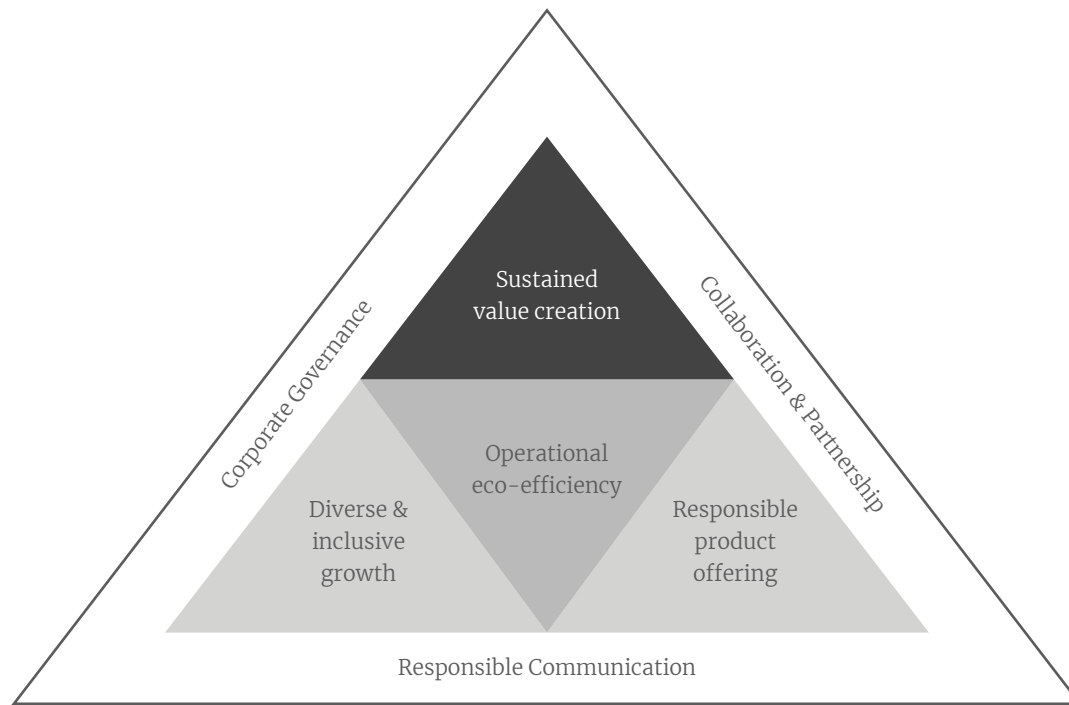
Our environment component ensures that we consume environmentally responsible resources, utilise an optimal quantum of fossil fuels, recycle waste, moderate our carbon footprint and build resistance to climate change.



Our social component addresses a proactive investment in talent (employees), relationships (customers and vendors) and social responsibility (community).



Our governance component indicates strategic direction, conduct codes, Board composition, alignment with UNGC principles and business de-risking, among others (discussed in this section).



Elements of our sustainability framework

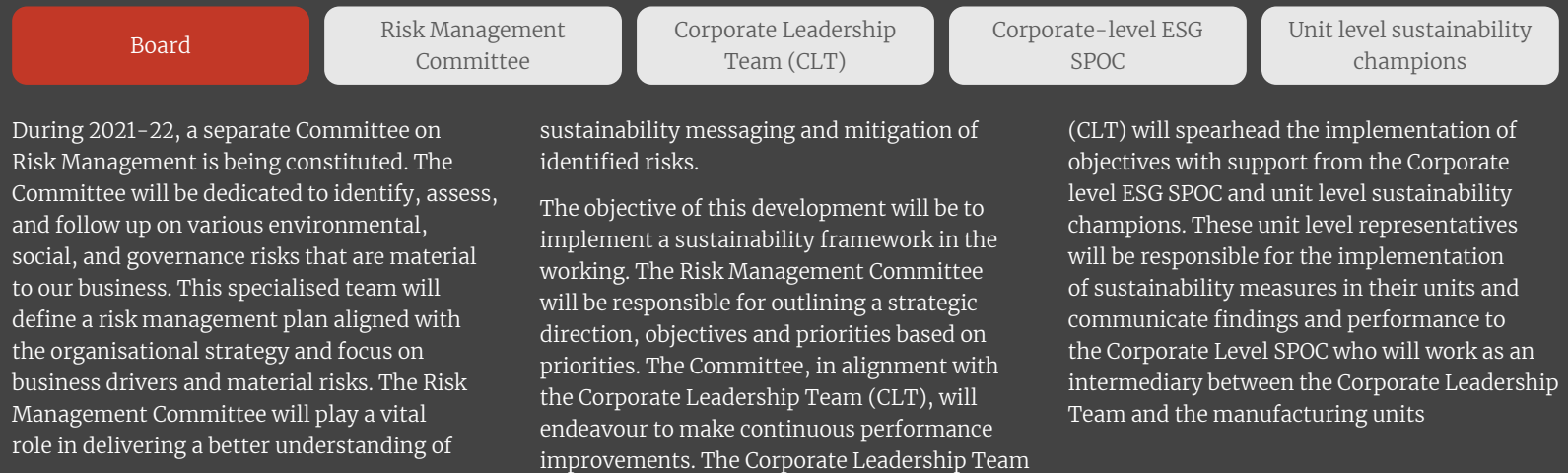
At Somany Ceramics, our governance platform has enhanced organisational predictability and stability, comprising the following industrialists of standing. They have deepened our business understanding, strengthening our strategic clarity.

Integrity: At Somany Ceramics, we manage our business around a high sense of integrity, reflected in fairness, compliances, no cutting of corners to address fleeting objectives and recognising that what keeps us in business is trust and respect. In line with our philosophy, we promote information transparency, ethical conduct, accountability, responsibility, zero tolerance for bribery and corruption in business dealings and a No Gifts policy with vendors.

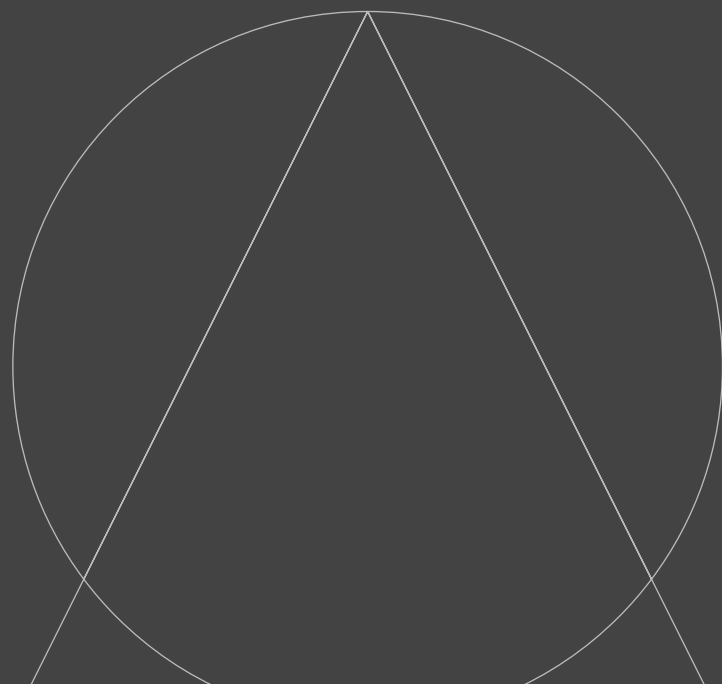
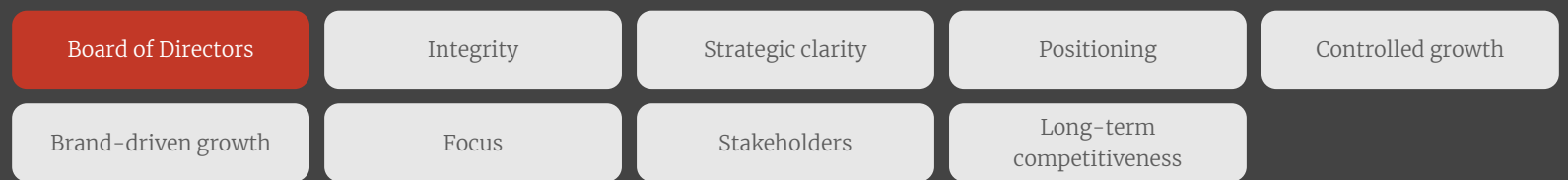
Strategic clarity: At Somany Ceramics, we possess clarity on what we will do and what we will not (drawing from our experience and those of others), graduating responsiveness from arbitrary knee-jerk reactions to an institutionalised predictability.

Positioning: At Somany Ceramics, we have positioned ourselves not as much as a tile company as much as an interior aesthetics and solutions provider, manufacturing or outsourcing tiles and bathware. This positioning has exposed us to widening opportunities, attracting knowledge professionals and strengthening our brand.

Sustainability governance structure



Elements of our governance framework



Elements of our environment commitment

Somany is committed to health, safety and protection of the shared environment by adopting environment-friendly practices, preventing damage and following applicable environment laws and regulations. The Company provides a safe and healthy working environment, complying with regulations on environment preservation.



The Company utilises natural and manmade resources in an optimal and responsible manner, ensuring the sustainability of resources by reducing, reusing, recycling and managing waste.

The Company invests in measures to moderate or prevent pollution. The Company shall assess the environmental damage and bear the cost of pollution abatement with due regard to public interest.

The Company seeks to improve its environmental performance by adopting cleaner production methods, promoting the use of energy-efficient environment-friendly technologies and renewable energy.

The Company developed Environment Management Systems and contingency plans and processes that prevent, mitigate and control environmental damages and disasters, which may be caused due to its operations.

The Company reports its environmental performance, including the assessment of potential environmental risks associated

with operations, to stakeholders in a fair and transparent manner, proactively supporting its value chain to adopt these principles.

The Company consumes less and manufacturers more, while minimising environment impact. It is the Company's conviction that the most successful, profitable and sustainable companies are ones benchmarked with the most stringent environmental standards. The Company's operations are woven around the 4R's – Recycling, Replacement, Reduction and Renewables.

The Company invested in waste management initiatives to reduce environment impact and costs. We recycled and reused waste in an accordance with established norms. Much of the waste generated in our plants comprise waste oil and ETP sludge; we handle waste in compliance with local regulations (either by responsible disposal or sending to authorised recyclers).

The Company enhanced energy conservation, moving towards cleaner fuel (used 174,6936 m³ of natural gas in substitution of coal and saw dust in 2020-21).

Environment initiatives, 2020-21

- Broken tile waste that is generated during the manufacturing process is converted into tile adhesives via the grinding process instead of being discarded, reducing waste stream and also raw material requirement. We used 855 MT of fired pitcher powder during the reporting period that was produced from broken tiles.
- Flue gases produced in the kiln and furnace during the manufacturing process are reused in the horizontal and vertical dryers, which resulted in a reduction in a natural gas consumption of 80,451 SCM.

Waste management, 2020-2021

Waste generated	Unit	Quantity	Waste disposal
ETP sludge	Tonnes	2,148	Reused within the premises
Used oil	Litres	7530	Sent to authorised recyclers
Plastic container	Number	1765	Sold to registered reusers
E-waste	Kg	680	Sent to authorised recyclers

Energy reduction

Temp Shield: This ceramic tile has the same texture and finish as our other tiles, but helps keep buildings cooler, combating the Urban Heat Island Effect owing to its high reflection of 80% and emittance rate of 90%, over ordinary tiles. Temp Shield is designed around the principle that white and smooth surfaces reflect sunlight and absorb least heat.

Air emissions: In our plants, the manufacturing process and the use of fossil fuel generates air emissions load of SO₂, NO_x, and Particulate

Matter. We monitor air emissions of NO_x, SO₂ and particulate matter to keep emissions below permissible limits. We are also taking initiatives in reducing our Ozone Depleting Substances (ODS) footprint at all facilities. The prominently-used ODS in our plants comprised HCFC-22 or R 22.

Heat recovery: We implemented heat recovery projects, resulting in savings of 23,336 M³ of natural gas in our wall tile plant and 57,115 M³ of natural gas in our floor tile plants in 2020-21.

GHG emissions: Our manufacturing process is a key source of direct emissions and energy consumption.

Resource consumption

Water management: For our plants, we consumed water from water resources such as canals, lakes, municipal supply water and ground water. We installed flow meters and documented invoices to monitor water consumption across our plants. We reported an consumption of 2,39,768 m³ in 2020-21.

Our Social commitment

(Employees, vendors and community)

Overview

At Somany, our principal strength lies in our employees, vendors and customers – the number, their knowledge and their passion.

We provide a safe workplace and conducive environment where our employees can perform to the best of their ability. Over the years, we have prioritised employee diversity, discrimination prevention, health and safety.

Diverse workforce: At Somany, we have created a diverse workplace. Our HR systems and processes are transparent, non-discriminatory and merit-based. We provide a work place environment free of harassment, violence, threat and abuse. No instances of discrimination, child labour, forced labour and sexual harassment were reported in 2020-21.

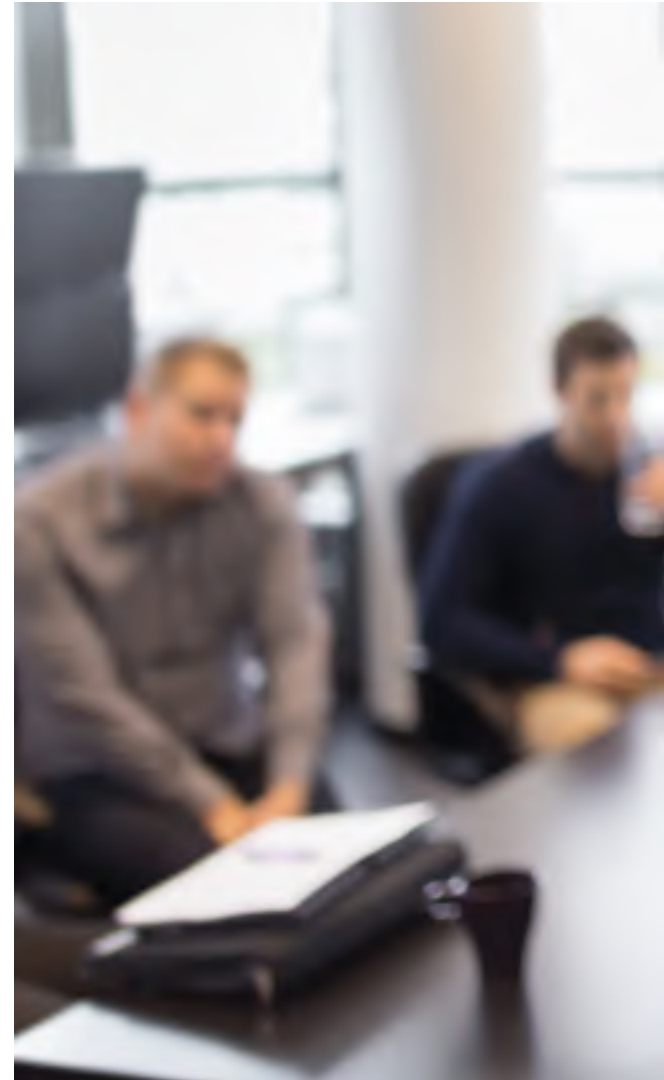
Talent development: We believe in continuous learning for all employees; all employees who attend training are awarded Learning Credits Points.

Performance appraisal process: We engaged in competence-based talent assessment to focus on how well an employee is performing in relation to pre-determined job requirements.

Employee health & well-being: Our employees are central to the growth of our Company and we make ours an esteemed place to work in. Ensuring a holistic (physical, emotional and mental) well-being of our employees by developing a positive work environment is of prime importance.

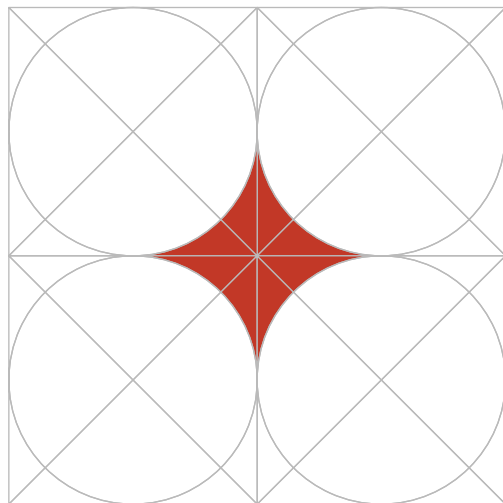
Somany Learning University: We develop skills of the unemployed youth to prepare them for jobs in the ceramic industry.

Occupational health and safety: The safety of our workers is paramount; we conduct periodic



health and safety workshops to create a safe workplace. We have an established union at one of our facilities (Kassar) covering 263 permanent workers.

Developing leaders: The Company strives to enhance employee wellbeing by leveraging their complete potential. We introduced three leadership programmes – Samarthya (targets the key gap areas of a leader, making learning initiatives more strategically aligned), Arjunas (helps in identifying prospective leaders from





the middle management team) and Ninjas (focuses on assessing the potential of top sales performers to build a pool of middle managers).

Safety initiatives, 2020-21

- Employees were kept abreast at all times of the severity of COVID-19 and how they could protect themselves
- A doctor was made available to staff members
- Health and fitness tips were shared with employees (yoga *aasans*, exercises, immunity

booster tips etc.)

- Mental health workshops were conducted by established psychologists
- COVID-19 awareness sessions were conducted by doctors at the plants; regular health checks were conducted
- Vaccination drives were conducted at the Kadi and Kassar plants where staff, workers and their families were vaccinated for free

Health initiatives, 2020-21

- Sustained initiatives related to health camps, medical claims, death insurance, Udaan and Suraksha Employee Fund
- Provided medical claim under the Star Group Health Insurance for employees and their families
- Provided maternity benefits and personal accident insurance scheme (in addition to medical insurance)

Direction: In the future, we see the most respected companies investing disproportionately more in environment - social - governance initiatives.

Somany's preparedness: The Company tightened governance standards and continued to invest in employee capabilities, safety, health, environment integrity and community responsibility.

Direction: In the future, India will be increasingly driven by millennials who will prefer to buy branded products increasingly off the net or from multi-brand and multi-product retail outlets.

Somany's preparedness: The Company's design studio launched younger designs benchmarked with global design trends; the Company positioned its products as young and contemporary.

BUSINESS DEVELOPMENT

At Somany Ceramics, we are building for the future

Direction: In the future, we see the most valuable companies with a perpetual cash surplus on their books, their proprietary engine for financing organic and inorganic growth in a sustainable way.

Somany's preparedness: The Company finished the year under review with ₹25221 Lakhs of cash balance as on 31st March 2021.

Direction: In the future, we see consumers graduating from the price-sensitive, willing to pay a premium for one-time purchases that enhance their pride, aesthetics and comfort.

Somany's preparedness: The Company increased the proportion of GVT in its product mix, enhancing aesthetics, contemporariness and premiumness.

Direction: In the future, we see investors and credit-rating agencies place a premium on companies with low or no debt, where the business is driven completely or largely by accruals.

Somany's preparedness: The Company had zero net debt on its books as on 31st March 2021; the capacity expansion is being driven by shareholder funds.

Our strategic footprint is aligned with global, national and sectorial trends

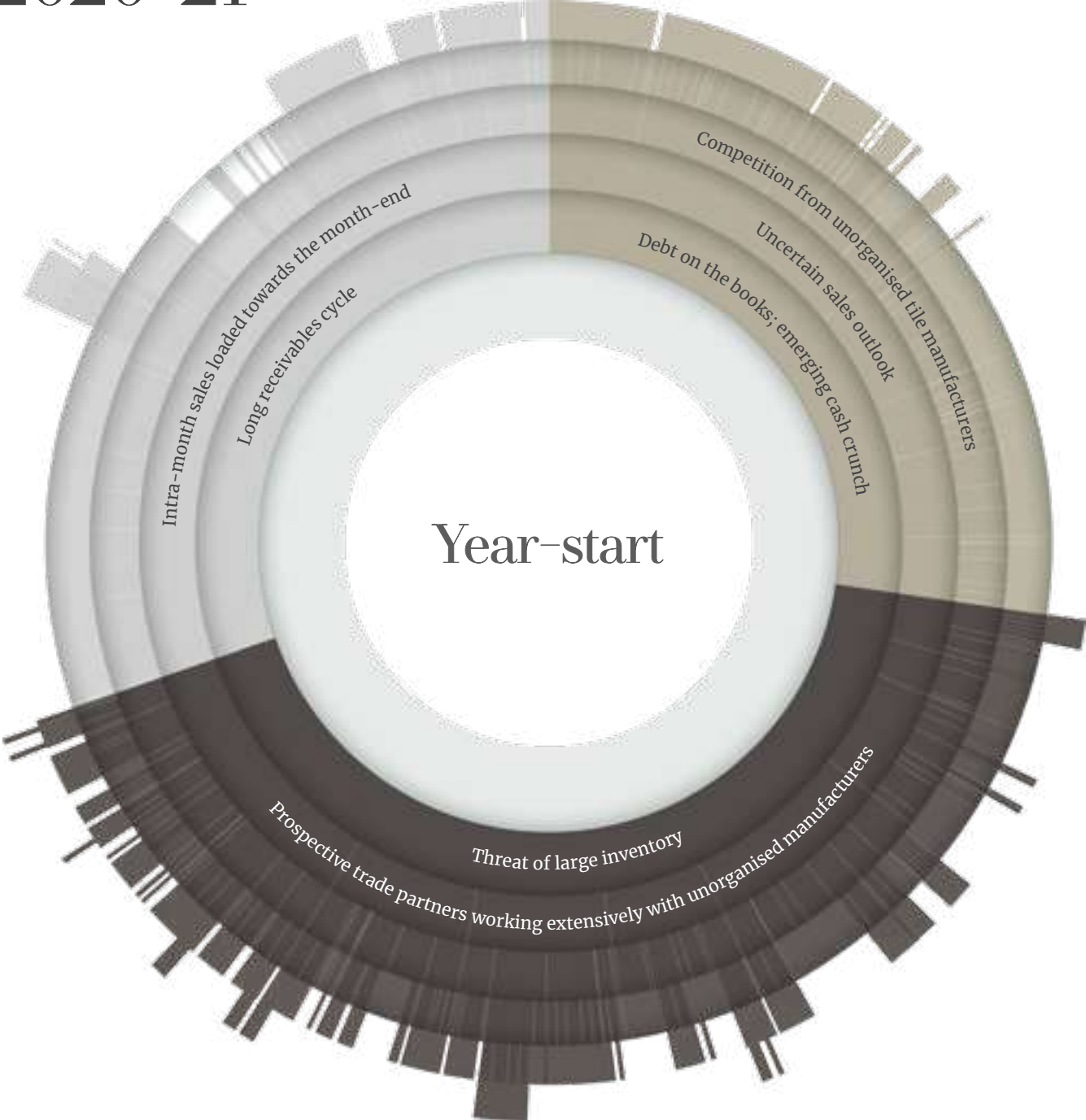
Direction: In the future, we see a greater focus on superior terms of trade – a larger proportion of products sold as cash-and carry.

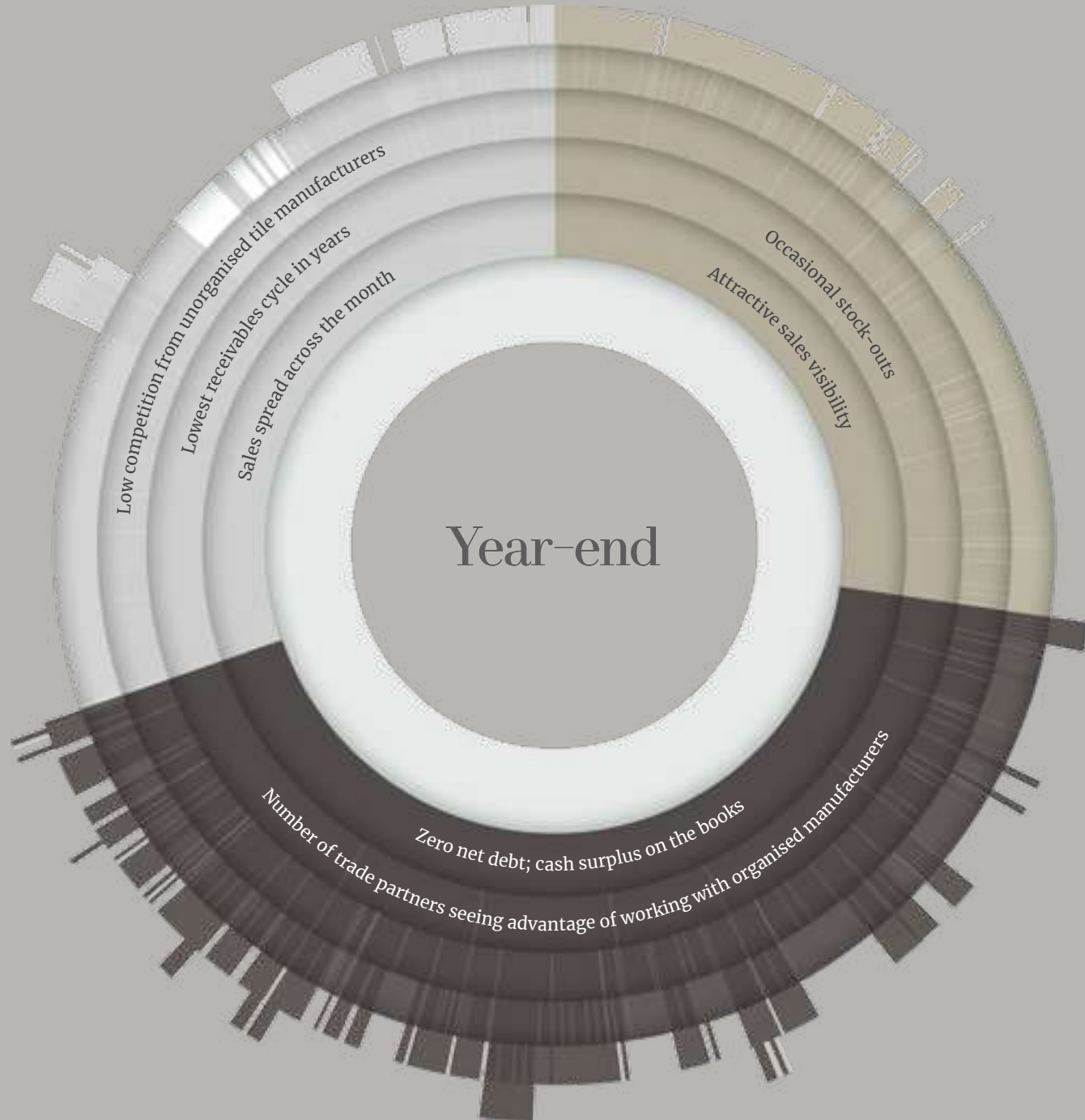
Somany's preparedness: The Company moderated its receivables cycles through a higher proportion of cash-and-carry sales.

Direction: In the future, we see companies with the widest geographic footprint emerging winners in competitive marketplaces, reflected in the ability to market products faster.

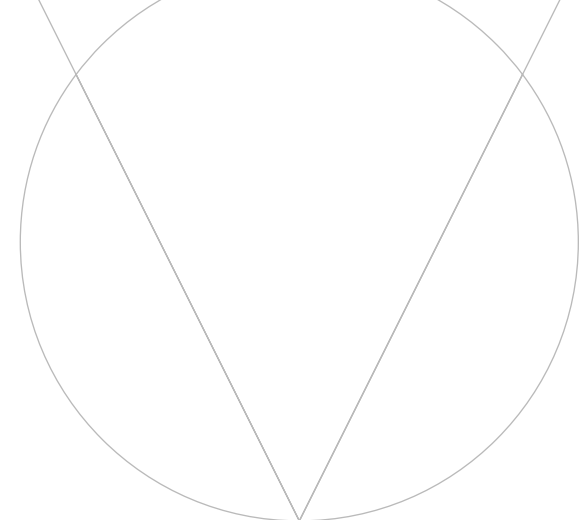
Somany's preparedness: The Company widened its dealer network 15.3% in the two years ending 2020-21.

How we transformed in 2020-21





How Somany strengthened its financial foundation for sustainable growth



Overview

The principal message is that the Company's business model capitalised with speed on emerging market realities of 2020-21. This outperformance, at a time of uncertainty and rapidly transforming realities, endorsed the Company's resilience during a downturn and

ability to rebound with speed during recovery.

During the last few years, the Company built around the GVT product segment. This approach was endorsed during the financial year under review when the Company reported 2.7% revenues growth (compared with the

Indian GDP de-growth of 7.3%) and the best-ever year from a cash flow perspective (₹34181 Lakhs of net cash as at 31st March 2021) despite losing the impact of one quarter. This validated our commitment to protect our viability during an economic downturn and maximise upsides during recovery.

Financial foundation

The Company ended the year under review with a robust financial foundation. As on 31st March 2021, the Company had ₹65535 Lakhs in net worth, ₹20214 Lakhs in long-term debt and ₹21021 Lakhs in short-term debt. The high net worth was the result of an accumulation of surpluses aggregated over the years. The bias towards net worth represents a relative de-risking in an unpredictable world; it provides patient capital to see it through downturns or uncertain conditions.

Capital efficiency

At Somany, we are driven by the objective to generate a return superior to what our risk partners (shareholders) would be able to generate if they invested in alternative asset classes. During the year under review, the Company reported RoCE of 11.7%, higher than the Company's average debt cost of 8.5%. The Company will seek to maximise capital efficiency through accrual maximisation, investment in projects with a shrinking

payback, value-addition and superior working capital management.

At Somany, we maximise capital efficiency by growing in a product segment (GVT), creating sizable capacity, seeding new markets, investing accruals into additional capacity, widening this to an all-India manufacturing presence proximate to consumption markets and using this proximity and logistical advantage to create a moat.

Business mix

At Somany, our objective is the blend our tiles business with non-tile revenues (a complete bathroom solution). Until five years ago, our tiles business accounted for 88.8% of revenues and bathware & others for 11.2%. The non-tiles business was introduced to enhance value-addition beyond the commoditised tiles segment and capitalise on the growing opportunity for value-added bathrooms in India. During the year under review, our non-tile solutions generated 11.2% of revenues; the tiles business generated 88.8% of revenues. As a

stated policy, the Company intends to increase the proportion non-tiles revenues to 15% of turnover by 2024-25.

Business health

At Somany, our focus is not just the quantitative growth of our business; we focus on a fiscal hygiene that validates that our business is stable, liquid and sustainable. The first measure of our financial hygiene is whether we have drawn working capital extensively / completely against the sanctions provided by the banks. As a policy, we seek to maximise our accruals in business growth, moderating the use of borrowed funds. During the year under review, we utilised the sanctioned short-term loans in first half of the year only, which made it possible to moderate interest outflow.

We enhanced our working capital hygiene through the following priorities: shrinking our receivables cycle through better terms of trade with primary customers (trade partners), extension of our payables cycle, marketing

product variants with strong offtake and graduation to a value-added product mix. The result: our working capital cycle (days of turnover equivalent) declined from 113 days in 2019-20 to 108 days in 2020-21. Our receivables declined from 64 days of turnover equivalent to 51 days; our inventory declined from 75 days of turnover equivalent to 54 days.

Debt management

At Somany, debt management is integral to our long-term business health. In the past, when we invested in greenfield capital expenditure, we balanced the role of debt and net worth. By the virtue of investing in products with traction that generated an attractive return within a compressed period of time, the Company repaid debt with speed. The Company repaid ₹8577 Lakhs during the year under review. Interest outflow declined from ₹4941 Lakhs in 2019-20 to ₹4010 Lakhs in 2020-21. The Company became net debt-free (more cash on the books than debt) during the last financial year. As an index of the Company's treasury management, the average cost of gross debt (before repayment) was 8.8% while the Company generated an average 11.68% return on capital employed.

Liquidity

At Somany, we prioritise the role of financial liquidity. Given a choice of maximising revenues with stretched liquidity or moderate-to-high revenues with enhanced liquidity, we will select the latter each time. This priority was reflected during the year under review, when our interest cover (EBITDA divided by interest outflow) strengthened from 2.92x to 5.08x. This indicated that we possessed adequate liquidity to service our interest liability that fell due during 2020-21. Over the years, we strengthened our interest cover through stronger gearing; our debt-equity ratio strengthened from 0.95 in 2016-17 to 0.63 in

2020-21 as we strengthened net worth on the one hand and moderated debt on the other.

Capital allocation

The Company generated ₹11844 Lakhs in cash profit during the year under review. Around 8.6% of this availability was returned to shareholders as dividend. The Company intends to invest cash corpus and accruals in capacity expansion across the foreseeable future.

Credit rating

At Somany, we focus on being rated favourably by the most demanding rating agencies. In 2020-21, the Company was credit-rated AA-. A credible credit rating makes it possible for us to mobilise low-priced debt (when and if needed), strengthening our access to growth funds (external) leading to timely investments and superior margins. We see this credit rating as an index of our corporate respect and competitiveness.

How we strengthened our financial hygiene

19.7

%, decline in receivables cycle, 2020-21

4.1

%, decline in working capital cycle, 2020-21

15.4

%, decline in short-term debt, 2020-21

340

Bps, increase in EBITDA margin, 2020-21

510

Bps, increase in RoCE, 2020-21

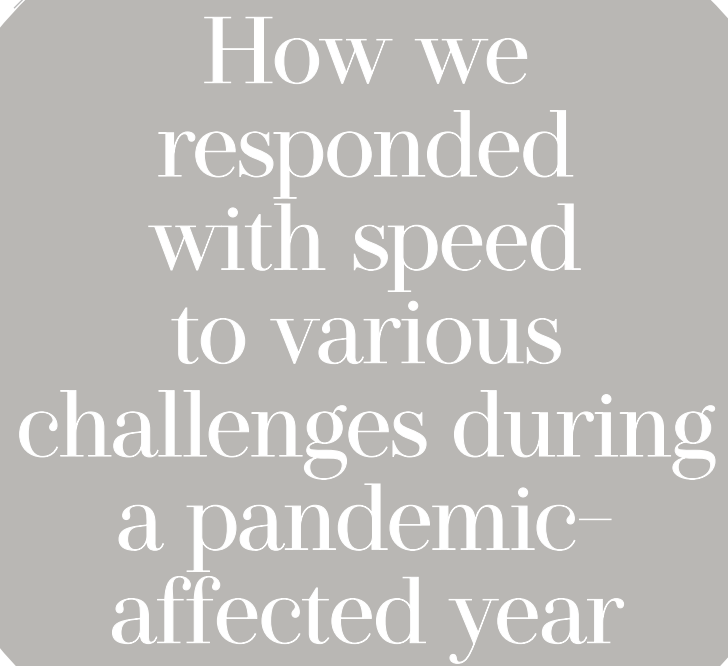
399.3

%, increase in cash surplus, 2020-21

19.0

%, decline in long-term debt, 2020-21





How we
responded
with speed
to various
challenges during
a pandemic-
affected year

01 Sales and distribution



Challenges

The lockdown made it difficult to sell and distribute; besides, the easing of the lockdown made it imperative to scale with speed to enhance business throughput.

Counter-initiatives, 2020-21

The Company protected team stability.

The Company introduced effective incentive schemes based on sales performance to keep the team motivated.

The Company engaged in the proactive and efficient planning of material requirements to counter the lockdown impact.

The Company focused on Tier-3 and Tier-4 towns to widen sales impact.

Strengths

- Team stability enhanced longevity of trade relationships
- Strong distribution network increased sales throughput
- Brand visibility enhanced offtake
- Wider market coverage strengthened offtake

Performance, 2020-21

- The Company's tile market share strengthened by ~200 bps in 2020-21
- The Company's outperformance was catalysed by ceramic tile (1x2 feet), glazed vitrified tiles (GVT) (2x4 feet), polished vitrified tiles (PVT) (800x800 mm) and Durastone (400x400 mm)

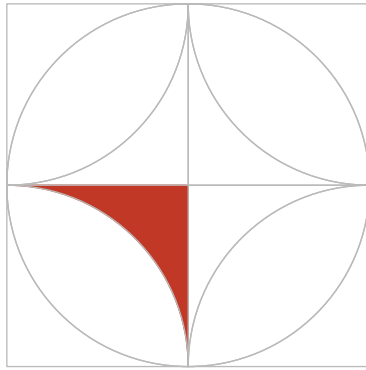
- The Company strengthened its effective credit control through uniform and regular billing
- The proportion of revenues from Tier 3 and 4 cities increased by ~5% to ~80% in 2020-21

Outlook

- The Company intends to increase focus on Tier 3 & 4 towns
- The Company intends to enhance volumes following a better leverage of its brand

02

Our manufacturing excellence



Challenges

- Integrating social distancing into manufacturing operations without compromising productivity
- Encountering material shortages and logistical disruption; need to build material inventory (glaze, engobe, body powder) for a longer period
- Maintaining equipment in ready-to-operate mode with no resumption visibility
- Inadequate worker availability due to temporary reverse migration
- Increase in costs (raw material, consumables and logistics)

Counter-initiatives, 2020-21

- Systematic start-up and shut down within shorter time-frames
- Prioritised work flows
- Addressed major repairs and refurbishment during the shutdown
- Created a group (essential service) to be always available the plant
- Engaged with local authorities to enhance social support (conducted RT-PCR test for more than 1500 people inside the plant)
- Optimised the inventory (finished goods and raw material)

Big numbers

Variable cost intensity

70

% of variable costs as a proportion of sales, 2018-19

72

% of variable costs as a proportion of sales, 2019-20

70

% of variable costs as a proportion of sales, 2020-21

Production cost intensity

78

% of production cost as a proportion of sales, 2018-19

81

% of production cost as a proportion of sales, 2019-20

78

% of production cost as a proportion of sales, 2020-21

Performance, 2020-21

- The Company reported a sharp recovery in capacity utilisation from 10% in the first quarter to 100% in the second quarter, which was sustained through the rest of the year
- The resumption of dispatch and logistics, following government permission after 20th April 2020, empowered the Company to liquidate at least 25% inventory during the first quarter; during the second quarter, inventory moderated from 60 days to 35 days of sales
- The Company introduced a

new age printer in the gloss vitrified line for special effects, coupled with new designs in structure punches for the first time in India

- The Company introduced a new automated tile adhesive plant to treble related capacity
- The Company reduced process waste; change in moulds and punches enhanced productivity; the raw material storage area was revamped to eliminate defects and enhance quality; a semi-automatic packing machine (made in-

house) enhanced productivity; installation of AC drives in heavy motors conserved energy

- The Company strengthened flexibility in planning, manufacturing lines, SKU interchangeability across manufacturing lines, low lead time from scheduling to dispatch
- The Company optimised costs through a cluster of ceramics and GVT tiles (floor and wall) in a single location coupled with warehouse management

03 Transforming through digitalisation

Challenges	Increased need for sales-front speed and insights	Deeper need for digital seamlessness	Digitalisation seen as a driver of competitiveness	
Counter-initiatives, 2020-21	The Company moved a large part of the business to smartphone compatibility	The Company graduated its billing-to-dispatch-to-receipts function to its portal	The Company enhanced sales productivity and dealer response	The Company increased secondary sales information flow
Transformation	From conventional manual systems to increased digital-driven systems	From a back-end corporate control to increased smartphone responsiveness	From information access through trade partners to direct access	

Performance, 2020-21

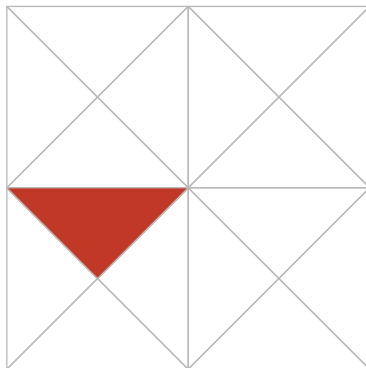
- The Company moved towards a collaborative model of working across the group
- The Company implemented Microsoft 365, embracing digital transformation with the objective to reduce travel costs
- The Company is mainstreaming a digital mind-set; it outsourced its cloud-based pan-India network connectivity and management enhance cost-efficiency and nimbleness

- The Company processed a large number of transactions through SAP and Integrated Systems, minimising the chances of fraud or errors; it implemented remediation activities in partnership with one of the Big Four consulting firms (preventive and detective controls across critical applications and infrastructure).

Outlook

The Company is implementing a shift from a capital expense model

to a lean operational expense model; it partnered IBM to move its complete IT infrastructure to cloud and managed services. The integration of various functions through a common IT backbone will enhance economies arising out of functions like product purchase, inventory and location tracking. The Company will invest in Logistic SAP warehouse management and customer relationship management leading to seamless customer relationship management.



04 Our branding and marketing capabilities

Somany's social media focus

Website:
Attractive and informative content

Facebook:
>366.1k Lakhs 'likes' sustained by contests on relevant topics

Instagram:
Leveraged the platform to widen its access

LinkedIn:
More than 25788 connections

Enhancing Somany's brand visibility

5184

₹ Lakhs, advertising and promotions spending, 2019-20

2541

₹ Lakhs, advertising and promotions spending, 2020-21



The success of the Zameen Se Judey campaign

>2.2

million, video views for #Zameen Se Judey

15K

million, followers in Instagram

How we have deepened our recall

The Salman Khan

campaign tagline: Zameen Se Judey

Our VC Shield tagline: Built to Last

Our Slip Shield tagline: Anti-Skid Tiles

Our Duragress tagline: Strong, Stylish and Long Lasting

Challenges

- The Company faced a decline in offtake, which moderated communication budgets
- There was a premium in enhancing visibility through the digital media
- Stiff competition among organised brands
- Premium on enhancing brand visibility
- Unorganised Morbi players focused on exports

Counter-initiatives, 2020-21

- The Company focused on making stores safe through a Covid protocol.
- The Company created an e-catalogue to enhance contactless and touchless sales.
- The Company moderated its marketing and branding budget.

- The Company focused on generating the following recalls through digital marketing: Celebrating 50 years of existence; giving back to society.
- The Company leveraged its endorsement association with superstar Salman Khan especially through promotions at airports and digital marketing around 'premium' focused on enhancing the proportion of revenues from the GVT segment.
- The Company enhanced its positioning around large format tiles across the ceramic, PVT and GVT segments, enhancing realisations.
- The Company optimised brand spends across functions.

Strengths

Collaborations: The Company is engaged in collaborations with international design studios.

Archive: The Company has created one of the largest design archives in the industry.

Team: The Company has invested in possibly the largest design studio (design professionals and visualisers) within the sector.

Track record: The Company pioneered the concept of a dedicated design team in the ceramic industry; it implemented world-class technologies to support its design team; it extended into first-in-segment sizes.

Performance, 2020-21

- The Company built on its being recognised as one of the most preferred brands in the tile and bathware industry
- The Company introduced e-catalogues to provide customers access to a wide range of tiles on their mobiles and laptops.

- The Company enhanced brand awareness and consumer connect through campaigns like Big Boss programme sponsorship and TV commercials
- The Company distributed Covid safety kits to trade partners
- The Company installed sanitiser stands and counter shields at dealer locations
- The Company launched Digital Connect programmes - *Lockdown ke Lamhe* and *Baat Cheet* - to engage with masons and plumbers
- The Company engaged with channel partners through mailers and utilised outdoor campaigns at airports/hoardings/dealer hoardings to enhance brand visibility.

05

Widening and deepening our distribution network

Challenges

The Company's business was affected in the first quarter as movements came to a halt due to the lockdown.

Strengths

Dispersed: The Company's trade partners were dispersed across the country – North India generated 44% of revenues, South India 27%, Eastern India 16%, West India 7% and exports 6%.

Critical mass: The Company's trade partners comprised 3500 dealers, having grown more than 50% in the five years ending 2020-21. In the year under review, Somany's distribution network comprised ~3000 active dealers.

Approachability: The owners of the Company are also directly approachable and available at all times, to not just customers but all stakeholders.

Programmes: The Company implemented dealer loyalty programmes to incentivise dealers.

Relationships: The Company sustained engagements with prominent Indian builders.

Footprint: The Company leveraged the availability of manufacturing facilities in North, West and South India to access markets wider and deeper.

Performance, 2020-21

- The Company reached deeper across the land mass to access the pent-up demand from small towns and a relative absence of competition
- The Company enhanced its presence in towns of a population in excess of 100,000 across most States, strengthening the recall that 'If you need a tile, Somany is never far away'

- The Company generated 10% of its revenues from the value-added bathware segment.

- The Company made a decisive shift from institutional customers to servicing retail demand with the objective to broaden its risk profile, be proximate to customers and sell a larger quantity – faster.

- The Company exercised a stronger credit discipline, moderating market outstandings from >100 days in 2018-19 to <65 days in 2019-20 to <50 days in 2020-21.

Outlook

The Company strengthened the width and depth of its business; it plugged gap sizes in the market and enhanced accessibility to non-available sizes.

Zone-wise revenue share (%)

	North	South	East	West	Exports
Revenue	44	27	16	7	6

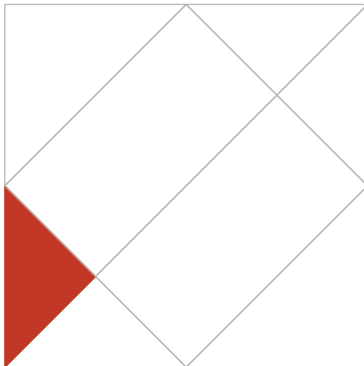
06 Talent management

Challenges

The Company faced challenges related to the health & safety of its people, altering essential processes through the pandemic, integrating a dispersed workforce from different locations and transforming to a digitalised virtual work environment

Priorities

- Creation of a new engagement plan from scratch customised around the pandemic under two themes: employee wellbeing and employee connect
- Restructured standard operating processes that helped ensure essential COVID-19 safety norms
- Conducted rigorous awareness sessions digitally to establish Covid-aligned behaviour for each employee
- Strengthened employee engagement and continuous connect to keep learning and spirits high
- Offered continuous learning around new skills and other functional areas
- Introduced technology and new business-connect tools to integrate teams and ensure seamless operational flows



Specific initiatives

Employee well-being: We engaged with employees through communication and training related to COVID-19; we provided a doctor on call; we provided health and fitness tips through an established psychologist; we conducted COVID-19 awareness sessions by expert doctors; we organised a vaccination drive at the Kadi and Kassar plants.

Employee connect: We engaged with employees to ensure their and their family's safety; we engaged in employee counselling; we provided contact details for HR SPOCS for guidance; we connected with employees through our virtual Coffee with HR sessions; we launched a Mood-o-Meter tool to ascertain employee mood at specific points; we sustained birthday celebrations through the virtual mode; we launched #SomanyStayIndoors Challenge (Tea time Snack Challenge, Family Painting Together Challenge, DIY Face Mask Challenge and Rangoli competition); we launched Hunar, a web-based platform for major employee engagement activities.

Strategies: We strengthened learning strategies aligned with the business, functional, team and

individual objectives (in-house expert faculty conducted training modules and webinars on new professional skills, specialised functional and wellness issues) through our web-based learning portal (E-campus) and other technology-based tools.

Programmes: We conducted leadership development programmes - Samarthyaa (leadership development Initiative), Arjunas (for exceptional talent to enter the middle management) and Ninjas (fast track development for front-liners)

Outlook

- Ensuring that our workforce remains healthy,
- Enhancing skills and competencies
- Leveraging the power of digitalisation and virtual technologies
- Supporting pandemic-affected employees and their families

Employees (Staff)

Year	2016-17	2017-18	2018-19	2019-20	2020-21
On-roll	1239	1274	1232	1213	1137
Off-roll	175	201	217	233	218

Retention

Year	2016-17	2017-18	2018-19	2019-20	2020-21
Employees of three years or more as a % of all employees	52	52	57	61	69

Productivity

Year	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue per employees (₹ Lakhs)	52	51	53	54	55

Cost

Year	2016-17	2017-18	2018-19	2019-20	2020-21
Employee cost as a % of revenues	11.1	12.7	13.3	14.9	13.7

Average age

Year	2016-17	2017-18	2018-19	2019-20	2020-21
Average age (years)	36	36	37	37	38

Training

Year	2016-17	2017-18	2018-19	2019-20	2020-21
Training hours aggregated (person hours)	8087	11243	17202	21528	22207

Attrition

Year	2016-17	2017-18	2018-19	2019-20	2020-21
People attrition rate %	16.5	15.6	17	15.9	8

Our safety performance

Category	Value
First aid cases	303

Training hours by employee category for 2020-21

6.73

hours, Average training hours per employee

5.32

hours, Average training hours per female

6.75

hours, Average training hours per male

How Somany grew its bathware business

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

Overview

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

How our Bathware business performed

16,477

₹ Lakhs, revenues from the Bathware business, 2020-21

17,034

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

Highlights, 2020-21

The Company consolidated its product profile in the bathware segment during a challenging year. The Company sustained sales of storage water heaters (geysers) in metal and ABS bodies that had been launched in the previous year. The Company also sustained its bath fittings offtake through the introduction of the French Collection series in the previous year. The Company sustained new Bath Studios, where it provided consumers with a 'shop in shop' proposition approach.

Somany's Bathware business

10.2

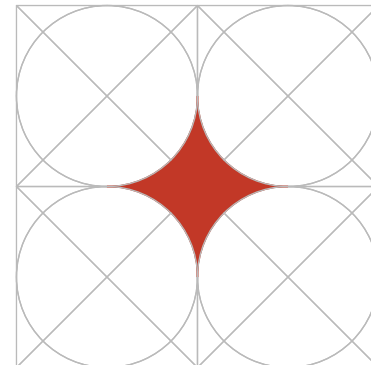
% of revenues in 2020-21

10.8

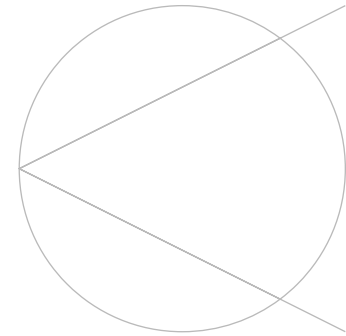
% of revenues in 2019-20

Somany's bathware business

- Launched in 2007; extended to bath fittings in 2010
- Digitalised to strengthen the business
- Widened products availability across the outlets
- Strengthened the business with superior customer experience
- Toll-free service number enhanced service and quicker resolution of customer issues



Our community engagement



Overview

As a responsible corporate citizen, Somany transforms lives for the better - 'learn from the community', 'plan with the community' and 'work with the community'.

Somany's CSR activities have been driven by a moral obligation and philanthropic spirit, an integral part of the business.

During the pandemic, the Company was actively engaged in making a difference by addressing the less privileged with services that enhanced societal prosperity and economic wellbeing.

Our focus areas

<p>Promoting education</p>	<p>We provided aid of ₹40 lacs to Jindal Charitable Society and ₹50 lacs to Florence Nightingale Society to cover the expenses of books and uniforms of students belonging to economically weaker sections. The aid was also used to set up an ERP module and e-education content, keeping in mind the gradual shift towards e-education during the pandemic.</p>
<p>Skill development</p>	<p>The purpose of our Tile Master skill development initiative is to contribute to the growth of the tile industry and help workers in skilling, becoming more proficient in their jobs of tile laying, installations and application of adhesives, while improving productivity and livelihoods. We provided practical hands-on training to masons in Delhi, Haryana, Uttar Pradesh, Himachal Pradesh, Gujarat and Rajasthan.</p>
<p>Protection of art and culture</p>	<p>We collaborated with a renowned art foundation to protect and preserve contemporary art and culture in the country and provided aid for construction art and a public library in Karnataka.</p>
<p>COVID-19 relief</p>	<p>Provided relief of ₹12.20 lacs for food distribution to eradicate hunger and healthcare assistance to the needy during the COVID-19 pandemic.</p>



How Somany protected its stakeholders from COVID-19 impact

The Black Swan event of COVID-19 pandemic highlighted and aggravated the volatility of our economic system and posed a challenge to the world. The period since the pandemic motivated us to realise and understand better the critical importance of the ecological health and societal well-being.

At Somany, we proactively undertook the responsibility to help our workforce community sail through the COVID-19 pandemic with ease. This was achieved by ensuring that our employees adapt to the evolving work environment and by engaging with them through various activities.

Workers at the plants

Regular COVID-19 awareness sessions and health check-ups were organised by experts. We trained and updated our people on the various uses and procedures for PPE kits.

Vaccination drive

We organised vaccination drives at our Kadi and Kassar plants for the staff, workers and their families at zero cost. The two locations, being

relatively more concentrated, were well guarded against the risks of the pandemic.

Quick contact helpline

Employees were provided contact details for HR SPOCS, who were available for any kind of help or guidance when needed.

Funds

The Company contributed ₹12.20 Lacs in COVID-19 relief and rehabilitation.

Staying connected during pandemic

We kept our employees informed through constant communication and training based on COVID-19, maintaining a healthy lifestyle and procedures to deal with it if infected.

Employee-HR Connect

We kept in touch with our employees consistently to ensure their safety and encourage them to get vaccinated.

Employee counselling

Our Human Resource team stayed connected to the employees and provided counselling on managing

emotions and personal life during the pandemic.

Coffee with HR

While under house confinement, we found an engaging way to connect our employees through virtual Coffee-with-HR sessions. The HR Head, management team members and select employees got together to enjoy a cup of coffee and have conversations and share experiences about working from home in the new normal.

Mood-o-Meter

Somany innovated a Mood-o-Meter tool to catch up with employees at once and know their feelings during the pandemic. The idea behind the activity was to understand their perspectives and identify ways to keep them engaged, happy and involved.

Virtual Birthday Celebrations

The pandemic did not stop us from celebrating birthdays and so we chose the next best thing – a virtual party, thanks to technology.

Employee and family indoor engagement suite

At Somany, working from home is not all work and no play. For many employees, staying completely indoors with small children can be challenging during the pandemic. This led to the inception of the #SomanyStayIndoors Challenge, consisting of activities as a family, which was realistically innovated and implemented across India. The tasks involved were Teatime Snack Challenge, Family Painting Together challenge, DIY Face Mask challenge and Rangoli competition. These challenges not only put our creative minds at labour, but they also turned out to be cathartic, engaging and wholesome.

To showcase the talents of employees and families, we utilised our web-based platform called Hunar. We are happy to share that Hunar has now become a way to access memories for all our major employee engagement events and activities.

How we manage risks at Somany

Somany is a fifty-year-old Company possessing the agility of a start-up.

Risk management structure

Risk identification The Company concentrates on recognising risks before they emerge as threats	Risk assessment The Company evaluates the degree of risk and tries to recognise the effects they might have on the business	Mitigation The Company implements the right tactics to eradicate these risks and resist the threats caused by those risks	Monitoring The Company constantly supervises on the identified risks and steps for mitigation of those risks
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Risk management structure

The tiles and bathware sector witnessed numerous challenges, putting a premium on comprehensive risk management. Somany strengthened its risk management through timely responsiveness. In 2020-21, the Company reinforced its overall risk management to recognise risks, evaluate their impact and undertake necessary actions to moderate downsides. Risk management was adopted across all management and functional areas. Risk management functions were distributed across the Board of Directors and the Audit Committee, which constituted Independent Directors.

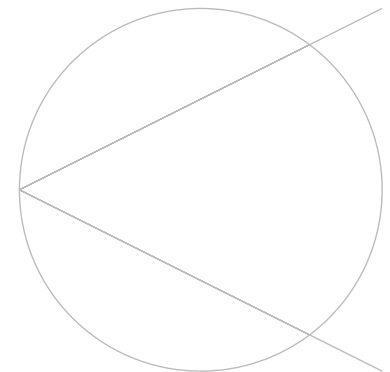
Key risks in 2020-21

Risks	Possible consequences	External stimulus and our strategic response
Economy risk: Sluggishness of the economy may adversely hamper the performance of the Company	This can disrupt cash flows, affecting profitability and market valuation.	The Indian economy is expected to recover following the end of the second pandemic wave. A demand shift from China to India is helping stabilise the sector from overcapacity in India following increased exports.
Gas price risk: Fluctuations in gas prices could affect profitability	This can enhance costs without the disadvantage being passed to consumers	The year 2020-21 witnessed a rise in gas prices towards the later part of the year at a time of buoyant demand. The Company passed on the cost increase to consumers in 2020-21.
Competition and price risk: The Company's profitability can be hampered due to their inability to compete with unorganised players and other large organised companies	This could affect the capacity of India's organised players to hold on to market share, affected by under-cutting from unorganised players operating largely outside the country's tax regime	The Company is the second largest in India's organised tile sector. The competition from unorganised players declined in 2020-21 as the latter on exports and trade partners selected to work focused with organised players over the unorganised.

<p>Fraud risk: The Company's business can be affected by fraud on account of weak systems</p>	<p>This can affect the Company's reputation among stakeholders, especially market valuation</p>	<p>The Company tightened controls and checks. It established a centralised payment system with a strong dual authorisation process for superior financial control.</p>
<p>Treasury risk: The Company's treasury investments can be affected by market fluctuations</p>	<p>Treasury operations could be affected</p>	<p>The Company intends to discontinue treasury investments and utilise accruals to invest in manufacturing capacities instead.</p>
<p>Regulation risk: Evolving and emerging regulations towards environment protection and human capital</p>	<p>Failure to comply would result in reputational damage, increase in liabilities, erosion of trust and other obligations, which could have a materially adverse effect on the Company's business.</p>	<p>The Company has a robust compliance management system and prepared a structured approach towards sustainability. The Company complied with the latest norms of sustainable reporting.</p>

The COVID-19 risk

The year 2020–21 started with stagnant operations and global trade disruptions due to the lockdowns imposed in various countries to control the number of COVID-19 cases. Like any other manufacturing company, the operation of Somany was also hampered. The Company converted this challenge into an opportunity by taking decisive initiatives. The Company ascertained that its processes were sanitised and Covid-free to provide a safe working environment for employees and also concentrated on a Covid-free distribution network. The Company branded Covid-free products and is enthusiastic about prospects.



Management discussion and analysis



Global economic overview

The global economy reported de-growth of 3.3% in 2020 compared to a growth of 2.9% in 2019, the sharp decline largely due to the outbreak of the novel coronavirus and the consequent suspension of economic activities across the world.

Regional growth %	2020	2019
World output	(3.3)	2.9
Advanced economies	(4.9)	1.7
Emerging and developing economies	(2.4)	3.7

(Source: IMF)

Indian economic review

The Indian government announced a complete lockdown in public movement and economic activity from the fourth week of March 2020. As economic activity came to a grinding halt, the lockdown had a devastating impact on an already-slumping economy as 1.38 billion Indians were required to stay indoors – one of the most stringent lockdowns enforced in the world.

The outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted

consumer sentiment and investments, had a severe impact on the Indian economy. The Indian economy de-grew 23.9% in the first quarter of 2020-21, the sharpest de-growth experienced by the country since the index was prepared. The Indian and state governments selectively lifted controls on movement, public gatherings and events from June 2020 onwards, each stage of lockdown relaxation linked to corresponding economic recovery. Interestingly, as controls relaxed, the country observed a new normal: individuals were

encouraged to work from home; inter-city business travel was replaced by virtual engagement; there was a sharp increase in home purchase following the need to accommodate an additional room for home working.

The result is that India's relief consumption, following the lifting of social distancing controls, translated into a full-blown economic recovery. A number of sectors in India – real estate, building materials, steel, cement, home building products and consumer durables, among others – reported unprecedented

growth. India de-grew at a relatively improved 7.5% in the July-September quarter and reported 0.4% growth in the October-December quarter and a 1.6% growth in the last quarter of the year under review. India's GDP contracted 7.3% during 2020-21, largely on account of the sharp depreciation of the first two quarters. This sharp Indian recovery – one of the most decisive among major economies – validated India's robust long-term consumption potential.

Y-o-Y growth of the Indian economy

	2017-18	2018-19	2019-20	2020-21
Real GDP growth (%)	7	6.1	4.2	(7.3)

(Source: Economic Times, IMF, EIU, Business Standard, McKinsey)

Growth of the Indian economy, 2020-21

	Q1	Q2	Q3	Q4
Real GDP growth (%)	(23.9)	(7.5)	0.4	1.6

Indian economic reforms and recovery

There were positive features of the Indian economy during the year under review.

The Indian government initiated structural reforms in agriculture, labour laws and medium-small enterprise segments. The labour reforms were intended to empower MSME increase employment, enhance labour productivity and wages.

India extended the Partial Credit Guarantee Scheme by relaxing the criteria and allowing state-owned lenders more time to purchase liabilities of shadow banks. Under the ₹45,00,000 Lakhs partial credit guarantee scheme, announced as

a part of the Atmanirbhar Bharat package, three additional months were given to banks to purchase the portfolio of non-banking financial companies.

The government approved amendments to the Essential Commodities Act and brought an ordinance to allow farmers to sell their crop to anyone; the changes to the Essential Commodities Act, 1955, were intended to 'deregulate' agricultural commodities (cereals, pulses, oilseeds, edible oils, onions and potatoes from stock limits). The government approved the Farming Produce Trade and Commerce (Promotion and Facilitation)

Ordinance, 2020, to ensure barrier-free trade in agriculture produce.

The Government relaxed foreign direct investment (FDI) norms for sectors like defence, coal mining, contract manufacturing and single-brand retail trading.

The Union Cabinet approved the production-linked incentive (PLI) scheme for 10 sectors: pharmaceuticals, automobiles and auto components, telecom and networking products, advanced chemistry cell batteries, textile, food products, solar modules, white goods and specialty steel. These incentives could attract



Top 10 leading markets

- China ■ India ■ Brazil
- Vietnam ■ Spain ■ Italy ■ Iran ■ Indonesia
- Egypt ■ Turkey

outsized investments, catalysing India's growth journey.

In 2020-21, Indian banks reduced rates on home loans by 150 to 200 basis points to strengthen customer sentiment towards real estate. For the first time in over 15 years, home loan rates declined below 8% in 2020 (after 2003-04).

India's foreign exchange reserves continue to be in record setting mode – 202-21 saw US\$ 101.5 billion dollars accretion in reserves, the steepest rise in foreign exchange reserves in any financial year; India's forex reserves are ranked third after Japan and China and can cover more than a year's import payments.

India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking and was the only

country in the emerging market basket that received positive FPIs of US\$ 23.6 billion in 2020; the country ranked eighth among the world's top stock markets with a market capitalisation of US\$ 2.5 trillion in 2020.

India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of 2020-21 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy.

The Government lowered GST rates on affordable housing to 1% without input tax credit (ITC) from the earlier 8% with ITC. GST on under construction housing projects (which are not under the affordable housing segment) was reduced from 12% with ITC to 5% without ITC. The above changes

became effective from 1st April, 2019. Lower tax burden on home buyers is expected to drive demand in the segment which, in turn, could keep developers committed to build more affordable homes.

The per capita income was estimated to have declined by 5% from ₹1,35,000 in 2019-20 to ₹1,27,000 in 2020-21, which was considered moderate in view of the extensive demand destruction in the first two quarters of 2020-21.

The Indian currency strengthened from a level of ₹76.11 on 1st April 2020 per US\$ to ₹73.20 as on 31st March 2021 after peaking at ₹76.97/ US\$ on 21st April 2020.

(Source: Poundsterlinglive, exchangerates.org.uk)



Outlook

The outlook for the country appears to be cautiously positive. The Indian economy is projected to grow by less than 10% in 2021-22 as per various institutional estimates following the revival of the second pandemic wave, which induced lockdowns in the first quarter of 2021-22. Tailwinds like consistent agricultural performance, probable flattening of the COVID-19 infection curve, increase in government spending, favourable reforms and an efficient roll-out of the vaccine, among others, could drive growth from the second half of 2021-22.

Global tile industry overview

The global ceramic tiles market was estimated at US\$ 207.7 billion in 2020 and projected to grow at a CAGR of 6.5% between 2020 and 2025 to reach a global size of US\$ 285.1 billion. The global ceramic tiles market is being catalysed by population increase, rise in disposable incomes in developing countries, preference for larger homes, family nuclearisation, increased interiors pride and increased investments in the residential, commercial and hospitality sectors.

The APAC market was the other large driver of the global market growth for tiles with China retaining its leadership as a manufacturer and consumer, followed by India. The APAC market growth is being catalysed by urbanisation, first-time home ownership, low mortgage financing rates, government

support leading to interest rate subvention and a plateaued real estate market that enhanced affordability.

The flooring segment accounted for the largest market share by value and is expected to retain its leadership during the forecasted period. Ceramic tiles continue to be the preferred flooring choice due to superior strength, water resistance, low maintenance, reliability and durability, ideal for kitchens and bathrooms.

Due to the ability to offer a clear and uniform look, ceramic wall tile sizes and shapes transformed from square-shaped to rectangle-shaped. The most popular tile size is 30 inches x 60 inches, accounting for 36% of total revenues (2018). This size is extensively used in the residential segment by the virtue of installation

versatility in various layouts (lines, combined, staggered or modular). International players launched extra-large products for commercial spaces like airports, offices, shopping malls, retail stores and others. There is a preference for gloss vitrified tile variants.

(Source: Markets and Markets, Globenews wire)

The residential sector is expected to remain the fastest growing end-use sector through the forecasted period with a large number of GenZ entering the working age and millennials seeking to buy their own homes. Besides, this sector is being supported by the Indian government on accounts of its economic multiplier effect through tax breaks on mortgage finance and the fact that interest rates have been at their lowest in years. The complement of growing

disposable incomes, flat realty prices and low interest rates have created the foundation of long-term optimism for the tile sector.

The APAC market was the other large driver of the global market growth for tiles with China retaining its leadership as a manufacturer and consumer, followed by India. The APAC market growth is being catalysed by urbanisation, first-time home ownership, low mortgage financing rates, government support leading to interest rate subvention and a plateaued real estate market that enhanced affordability.

Top manufacturing countries

Country	2015 (Sq.m.Mill)	2016 (Sq.m.Mill)	2017 (Sq.m.Mill)	2018 (Sq.m.Mill)	2019 (Sq.m.Mill)	% 2019 world production	% variation 19/18
China	5,970	6,495	6,400	5,683	5,187	40.9%	-8.7%
India	850	955	1,080	1,145	1,266	10.0%	10.6%
Brazil	986	871	867	872	909	7.2%	4.2%
Vietnam	440	485	560	602	560	4.4%	-7.0%
Spain	440	492	530	530	510	4.0%	-3.8%
Italy	395	416	422	416	401	3.2%	-3.6%
Iran	300	340	373	383	398	3.1%	3.9%
Indonesia	370	360	307	383	347	2.7%	-9.4%
Egypt	230	250	300	300	300	2.4%	0.0%
Turkey	320	330	355	335	296	2.3%	-11.0%
Total	10,301	10,994	11,194	10,649	10,174	80.3%	-4.5%
Total world	12,530	13,322	13,627	13,157	12,673	100.0%	-3.7%

Source: Ceremic World Review



Key tile sector trends

Inkjet printing: Over the past few years, the global ceramic tile industry has been influenced by the emergence of digital technology. Digital inkjet printing technology has empowered tile manufacturers to create customised designs for single customers. The inkjet technology delivers superior printing quality, speed and superior aesthetics

(designing right into the edge).

Dry pressed ceramics: The consumer preference has shifted from marble to ceramic tiles for two reasons: marble is more expensive than tiles; anti-skid tiles are designed to moderate slippage, finding increased application in kitchens, toilets and balconies.

'Green' construction: Ceramic tiles are anticipated to play a major role in 'green' construction. Products like cool roof tiles reflect solar energy, which moderates the inside temperature by ~10 to 20 degree Celsius, keeping interiors cool.

Division of global ceramic tiles market, by product

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

Division of global ceramic tiles market, by application

■ Residential replacement ■ Commercial ■ New residential ■ Industrial

(Source: Transparency and Markets)

Top Consumption Countries

Country	2015 (Sq.m.Mill)	2016 (Sq.m.Mill)	2017 (Sq.m.Mill)	2018 (Sq.m.Mill)	2019 (Sq.m.Mill)	% of 2019 world consumption	% variation 19/18
China	4,885	5,475	5,498	4,840	4,424	35.7%	
India	927	789	765	775	802	6.4%	3.5%
Brazil	763	785	760	750	780	6.3%	4.0%
Vietnam	400	412	580	542	467	3.8%	-13.8%
Spain	357	369	336	450	413	3.3%	-8.2%
Italy	254	274	284	289	273	2.2%	-5.5%
Iran	190	215	252	236	239	1.9%	1.3%
Indonesia	218	235	242	236	238	1.9%	0.8%
Egypt	192	174	194	209	200	1.6%	-4.3%
Turkey	190	169	170	240	200	1.6%	-16.7%
Total	8,376	8,897	9,081	8,567	8,036	64.9%	-6.2%
Total world	12,378	13,069	13,340	12,902	12,375	100.0%	-4.1%

Source: Ceramic World Review

Indian tile industry overview

The Indian ceramic tiles market size was valued at US\$ 3720.2 million in 2019 and is expected to reach US\$ 7,144.7 million by 2027, growing at a CAGR rate of 8.6% during the forecasted period. The Indian ceramic tiles industry

produced 1,266 million square meter (MSM) in 2019. The size of the Indian tile industry in 2018 was estimated at ~1145 million sq. meters compared to 1080 million sq. metres in 2017, accounting for 8.7% of the global production.

The Indian ceramic tile industry witnessed various challenges from the economy coupled with the unorganised sector over the past few years. Nearly ~40% of the industry was organised, whereas the remaining 60% was mainly

unorganised, constituting players from Morbi, Rajkot and various clusters, among others.

India is the second largest producer of ceramic tiles across the globe and its consumption

quantum is valued at 780 million sq metres in 2019, constituting nearly 6% of the world, which makes it the second largest consumer of ceramic tiles globally after China. India is also the fourth largest exporter of ceramic tiles in the world, accounting for a global share of 12.7%, with total exports

valued at 360 million square metres in 2019 as against 274 million square metres in 2018.

The industry is driven by higher infrastructure spending by the Government, increasing urbanisation and transformation in consumer preferences, which is

boosting the demand for ceramic tiles in commercial and residential establishments. The new projects undertaken along with the growing application of tiles in replacement and renovation projects are fueling the demand for ceramic tiles. Moreover, the replacement market is anticipated

to capture robust growth, steering the growth of ceramic tiles. The Indian ceramic tile industry is anticipated to grow at a CAGR of 8% in the next few years.

(Source: Allied market research)

Per capita tile consumption of leading countries

India	0.6 square meter
Brazil	4.0 square meter
China	3.4 square meter
World	1.4 square meter



Global sanitaryware and bath fittings market

The global sanitaryware and bath fittings market was estimated at US\$ 32.1 billion in 2020 and projected to reach US\$ 44.6 billion by 2025, growing at a CAGR of 6.8%. Ceramic tiles accounted for more than 50% share of the global sanitary ware market by value. The growth is being driven by home sector growth in the developing countries, catalysed by an increasing hygiene and sanitation awareness. The availability of abundant raw materials for the

industry across the world drives the sanitaryware and bath fitting markets.

The Asia-Pacific is the fastest-growing and largest geography, accounting for more than a fourth of the market in 2019 and projected to grow sustainably in India and China. The region is projected to record the fastest CAGR of 7.2% between 2021 and 2028 when compared with the other continents.

The global sanitaryware market was segmented on the basis of product type and material: based on product type, the market was segmented into toilet sink/water closet, wash basin, pedestal and cistern; based on material, the market was segmented into ceramic, pressed metal, acrylic plastic and Perspex.

The toilet sink/water dominated the global sanitaryware market and was expected to retain its dominance in the forecasting

period as it accounted for more than a fourth of the market size in 2018. The pedestal segment was expected to be the fastest growing segment, growing at a CAGR of 6.1% between 2019 and 2025. Based on material type, the ceramic segment dominated the industry, comprising of ~4/5th of the market and projected to register the fastest CAGR of 5.4% in the forecasting period.

(Source: Businesswire, Globenewswire, Databridge)



Most Indian households have only one or two rooms, accounting for 69% or 170 million Indian households. As incomes rise, homes are likely to get larger, extending from rooms dedicated to multiple applications to single use applications (study room or bedroom or TV room).

Indian sanitaryware and bath fittings market

The Indian tiles, sanitary ware and bathroom fittings market was estimated at US\$ 7953 million in 2020 and is expected to grow at a CAGR of 9.30% between 2021 and 2026. This market was catalysed by the following developments: increased outlays of drinking water and sanitation programs (Swachh Bharat Abhiyaan),

government's Housing for All, Smart Cities and advancement of sanitation, influence by the social media and higher living standards.

The Indian sanitaryware and bath fittings market can be segmented on the basis of product type and end user type: based on product type, the market is classified into faucets, shower fittings,

thermostats and others, of which faucets account for the leading position; on the basis of end use, the market is segmented into residential, institutional and commercial sectors, of which the residential sector accounts for the major portion.

(Source: IMARC)

Key tile and bathware demand drivers

Residential sector

Housing shortage: There is existing affordable housing shortage of nearly 10 million houses according to Ministry of Housing and Urban Affairs.

Sectorial recovery: The Indian organised real estate sector rebounded attractively during the second half of 2020-21. The sector reported its sharpest growth in seven years, inspiring the optimism that this growth would be sustained in 2021-22 (from the second half).

Per capita consumption: India's per capita consumption is around 0.59 sq. metres compared with the global average of 1.40 sq metres and corresponding figures of 3.95 sq. metres and 3.39 square metres in China and Brazil respectively, an attractive headroom.

Tile affordability: The cost of tiles has been virtually around the same level as a decade ago even as disposable incomes and real estate prices have risen, making the 'real' cost of a tile attractively low, extending its consumption from the exclusive to the democratic.

Home extension and home improvement needs

Most Indian households have only one or two rooms, accounting for 69% or 170 million Indian households. As incomes rise, homes are likely to get larger, extending from rooms dedicated to multiple applications to single use applications (study room or bedroom or TV room).

Commercial sector

Hospitality sector growth: The Indian hospitality market was US\$ 7.5 billion in 2019 and projected to grow to US\$ 16.8 billion by 2025, growing at a CAGR rate of nearly 15% during the forecasted period (following the pandemic) on the back of tourism (domestic and inbound) and increased disposable incomes.

Office space: The country's gross office leasing volume stood at 50.4 million square feet, declining temporarily in 2020-21 on account of the COVID-19 pandemic. Office leasing volumes are expected to recover, led by information technology companies who continued to grow attractively in 2020-21.

Policy

Pradhan Mantri Awas Yojana (PMAY-Urban): The Indian government aims to build 112 Lakhs houses by 2022 (~110 Lakhs homes sanctioned, 41 Lakhs houses completed and construction in various stages in more than 70 Lakhs houses).

Pradhan Mantri Awas Yojana (PMAY-Gramin): In the second phase of the scheme commencing from 2019-20 to 2021-22, The Indian government set a target to construct 195 Lakhs houses. A total of 175 Lakhs PMAY-G houses had been sanctioned and 120 Lakhs houses completed against the allocated cumulative target of 226 Lakhs houses as in November 2020.

Financial

Increasing incomes: The number of ultra-high-net-worth individuals (UHNIs) is anticipated to increase by 63% in the next five years to 11,198 in 2025.

Low mortgage liabilities: India's mortgage penetration from formal lending sources was only 9%,

indicating that 91% homes were built with own funds or informal borrowing sources. The growth of the formal sector could drive home building towards China's penetration rate of 26%.

Low interest rates: Mortgage affordability improved with home buyers receiving tax incentives on home loans for principal and interest payments, coupled with subsidy for economically weak sections and first-time home buyers. India's home financing interest rate was the lowest in years.

Demographics

Urbanisation: India's urban population is estimated at around 4800 Lakhs and expected to rise to 6000 Lakhs by 2030, making

it arguably the fastest urbanising country (estimated 40% of its population), expected to catalyse home building.

Favourable demographics:

India has more than 50% of its population below 25 years and nearly 65% of the population below 35 years, a large economically productive age group. In 2020, the median age was 29 years compared with 38 in China and 48 in Japan, catalysing the offtake of most consumer products.

Growing nuclear families: India's nuclear families increased 29% in rural areas and 9% urban areas (Census 2011). Nuclearisation is expected to add about 7 million households per year, reinforcing the need for homes.

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

Lifestyle trends

Water conservation: Consumer preferences are led by terms like 'water conservation' with an increasing awareness about sustainable water use. A number of companies launched sanitaryware and bath fittings around water conservation.

Premium fittings: Consumers are inclined towards premium products, influenced by the fact that product prices have been relatively steady for the last number of years, at a time when aspirations and incomes have risen.

The Indian tiles, sanitary ware and bathroom fittings market was estimated at US\$ 7953 million in 2020 and is expected to grow at a CAGR of 9.30% between 2021 and 2026.



Why we believe that more tiles and bathware will be sold in India

Population growth

1.39

billion, population of India, 2021

1.31

billion, population of India, 2015

(Source: World Bank)

Per capita income

1,947

US\$, India's GDP per capita, March 2021

2140

US\$, India's GDP per capita, March 2020

Addressable market

10

Estimated affordable housing shortage in India

(Source: Ministry of Housing and Urban Affairs, 2018)

Sanitation

43.4

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

100

Share of India's population with access to household toilet in 2019-20 (in %)

(Source: UN, Statista, Anarock, smefutures.com, Arcgis.com)

Millennial effect

49

% of millennials buying homes on NoBroker.com, pre-Covid

63

% of millennials buying homes on NoBroker.com, post-Covid

Larger homes

1050

Square feet, average apartment size in India, 2019

1150

Square feet, average apartment size in India, 2020

Age of home ownership

45-55

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

35-45

Average age of home buyers in 2010 (in years)

Urbanisation

35

% of the Indian population that is urban, 2020

55

% of the global population that is urban, 2020

(Source: World economic forum, Unitednations.org)

290

million people in India who lived in cities in 2001

590

million people in India who could live in cities by 2030

(Source: McKinsey Global Institute)

13

million households with true discretionary spending power, 2005

90

million estimated households with true discretionary spending power, 2025

(Source: McKinsey)

“With India's per capita growth crossing the 2000-dollar mark, the country is at the tipping point for non-linear growth. Growth can pick up manifolds from here, standard of living and purchasing power increases, promotes higher investments, consumption increases significantly and there is vibrancy in the economy.”

(Source: Livemint)

Standalone financial overview

Analysis of the profit and loss statement

Revenues: Revenues from operations stood at ₹1,63,015 Lakhs in 2020-21, as against ₹1,59,525 Lakhs in 2019-20. Other income of the Company stood at ₹805 Lakhs, accounting for a meager 0.9% of the Company's revenues, validating the Company's reliance on its core business operations.

Expenses: Total expenses of the Company declined by 2.2% from ₹1,58,500 Lakhs in 2019-20 to ₹1,55,039 Lakhs following a reduction in overheads and a stronger fiscal discipline. Material costs (including purchases of traded goods), accounting for a 62.0% of the Company's revenues, declined by 1.9% from ₹1,03,080 Lakhs in 2019-20 to ₹1,01,115 Lakhs in 2020-21. Employees expenses accounting for a 10.1% of the Company's revenues declined by 5.4% from ₹17,318 Lakhs in 2019-20 to ₹16,386 Lakhs in 2020-21.

Analysis of the Balance Sheet

Sources of funds

The capital employed by the Company stood at ₹86,913 Lakhs as on 31st March 2021 as compared to ₹89,306 Lakhs as on 31st March 2020. Return on capital employed, a measurement of returns derived from every rupee invested in the business, improved due to lower costs, improved product mix and increased revenues that enhanced amortisation.

The net worth of the Company increased from ₹58,375 Lakhs as on 31st March 2020 to ₹63,081 Lakhs as on 31st March 2021, following increased ploughback from the earnings reported during the year under review. The Company's equity share capital comprised 4,23,79,426 equity shares of ₹2 each in the year under review.

Long-term debt of the Company decreased by 37.3% to ₹6045 Lakhs as on 31st March 2021 following debt repayment and better terms of trade. Long-term debt-equity ratio of the Company stood at 0.10x in 2020-21 compared to 0.17x in 2019-20. Finance cost declined by 34.0% from ₹2,181 Lakhs in 2019-20 to ₹1439 Lakhs in 2020-21 following debt repayment.

Applications of funds

Fixed assets (gross) of the Company enhanced 4.9% from ₹54,964 Lakhs as on 31st March 2020 to ₹57,633 Lakhs as on 31st March 2021 following a moderate investment in production capacities. Depreciation and amortisation enhanced 4.3% from ₹4,244 Lakhs in 2019-20 to ₹4425 Lakhs in 2020-21.

Investments

Non-current investments of the Company enhanced from ₹6,468 Lakhs as on 31st March 2020 to ₹6,769 Lakhs as on 31st March 2021.

Working capital management

Current assets of the Company increased by 9.1% from ₹59,175 Lakhs as on 31st March 2020 to

₹64,535 Lakhs as on 31st March 2021.

Inventories including raw materials, work-in-progress and finished goods, among others, decreased 29.1% from ₹19,195 Lakhs as on 31st March 2020 to ₹13,611 Lakhs as on 31st March 2021. The inventory cycle stood at 31 days of turnover equivalent in 2020-21 as compared to 44 days of turnover equivalent in 2019-20.

The Company's debtors' turnover cycle improved from 63 days of turnover equivalent in 2019-20 to 51 days in 2020-21, moderating the total amount from ₹27,301 Lakhs in 2019-20 to 22,461 Lakhs in 2020-21.

Loans and advances made by the Company declined by 64.2% from ₹3,030 Lakhs as on 31st March 2020 to ₹1,085 Lakhs as on 31st March 2021.

Margins

EBITDA margin of the Company increased by 3832 bps from 4.7% in 2019-20 to 8.5% while the net profit margin of the Company enhanced by 261 basis points.

The Company adopted best practices dovetailed with the creation of Standard Operating Procedure (SOP) for most functions, resulting in functional consistency. Senior management attrition declined to around 3%.



Key numbers

Particulars	2020-21	2019-20
Debtors' cycle (days)	51	63
Inventory cycle (days)	31	44
Interest coverage ratio (x)	7.60	2.25
Current ratio (x)	1.57	1.55
EBITDA/Turnover (%)	8.5	4.7
Debt-equity ratio (x)	0.34	0.48
Net profit margin (%)	3.5	0.8
Return on Net Worth	9.2	2.3
Book value per share (₹)	148.85	137.74
Earnings per share (₹)	13.62	3.13

Human resource review

Human resources have become increasingly critical for success in the face of increasing competition. Somany, one of the most established brands, focused on creating a strong team to address diverse market challenges.

The Company adopted best practices dovetailed with the creation of Standard Operating Procedure (SOP) for most functions, resulting in functional consistency. Senior management attrition declined to around 3%.

Internal control systems and their adequacy

The Company has a set of robust control systems in place to streamline monitoring, reporting and compliance. These processes have been developed and strengthened over time with the key focus being on governance, alignment of processes to new regulations, audit reviews to determine key improvement areas and assessment of risks to develop mitigation procedures. The Company will continuously work on enhancing analytics, broaden audit coverage and check exceptions.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those either expressed or implied. Important factors that could make a difference to the Company's operation include among others, economic conditions affecting demand/supply and price conditions, variation in prices of raw materials, changes in Government regulations, tax regimes, economic developments and other incidental factors.

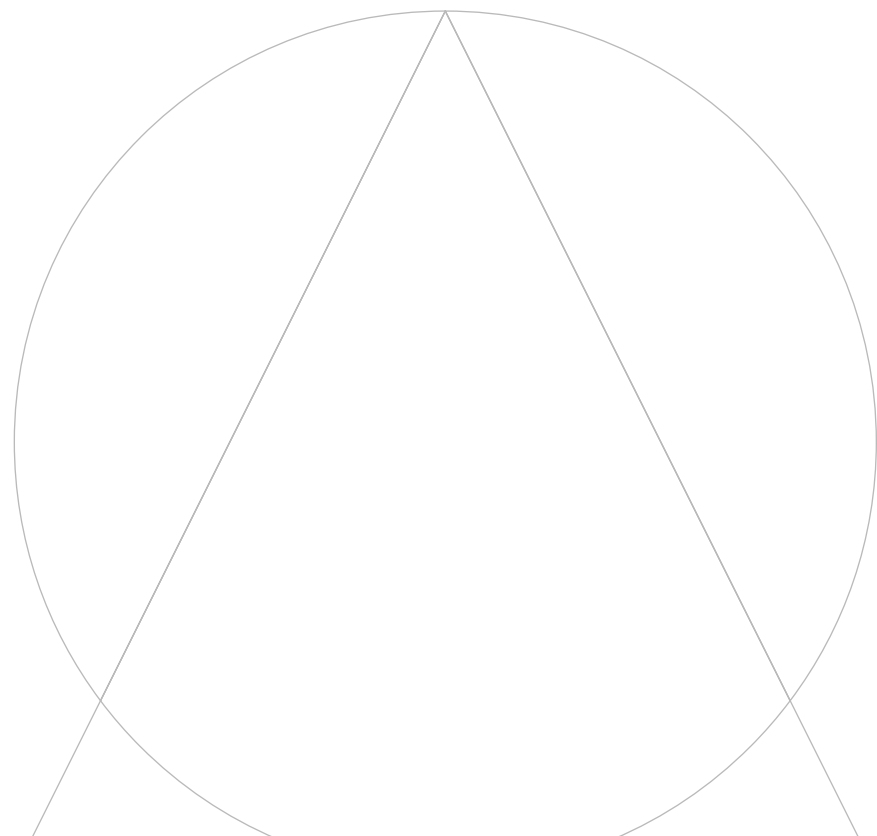
The Company pioneered the launch of an e-learning portal within the industry; its revamped e-learning modules that catalysed learning. Besides, during the year under review, the Company participated in 'Significant excellence in HR practices' award and was recognised as a company with 'Significant excellence in HR practices' by CII. The Company conceptualised a cloud-based software to manage key result areas that automated processes, decreased manual intervention and increased process efficiency.

Audit discipline

Somany has in place a strong internal audit committee and an internal control system to identify potential risks and report them to the Board on a quarterly basis. The Board has a specific

Audit Committee comprising Independent Directors of the Company, ensuring increased transparency and zero-manipulation.

The Company focuses on arranging executive committee meetings on a weekly basis, wherein the committee discusses about the various potential risks and brainstorm on the mitigation strategies for them. This committee does not only discuss about potential risks but also compliance issues, which might otherwise be a risk.



Board's Report

Dear Members,

Your Directors have pleasure in presenting the 53rd Annual Report together with the Annual Audited Financial Statements of the Company for the year ended March 31, 2021.

FINANCIAL SUMMARY

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenue	1,63,014.93	1,59,525.06	1,65,045.21	1,61,007.10
Profit Before Depreciation, Interest and Taxes	15,358.38	9,160.13	20,353.28	14,412.30
Profit before Tax (after Exceptional item)	7,648.94	117.02	8,364.53	958.03
Tax Expenses	2,060.08	(1,209.20)	2,237.57	(992.25)
Profit After Tax	5,588.86	1,326.22	6,126.96	1,950.28
Non-controlling Interests		-	356.66	450.03
Profit After Tax (attributable to controlling interest)	5,588.86	1,326.22	5,770.03	1,500.25
Transferred to General Reserve	-	-	-	-

FINANCIAL REVIEW

(The financial discussion is based on Standalone Financial Statements)

The year under review (FY21) was a challenging year for your Company because of the overall economic slowdown and the impact due to the outbreak of the novel coronavirus (COVID-19) in March 2020. This resulted in a significant impact on the financial performance of your Company in general and the first quarter of FY21 in particular. However, the succeeding quarters were positive which resulted in a small growth for your company in the financial year ended March 31, 2021.

Our revenue increased by 2.2% to ₹ 1,63,014.93 Lakhs in FY21 from ₹ 1,59,525.06 Lakhs in FY20 despite passing through an adverse economic scenario due to the pandemic. The Earnings before Interest, Depreciation and Tax (EBIDTA), Profit before Tax (PBT) excluding Exceptional items and Profit after Tax (PAT)

for the year under review, were ₹ 15,358.38 Lakhs, ₹ 9,493.67 Lakhs and ₹ 5,588.86 Lakhs respectively. Improved performance aided by conscious cost control measures resulted in an increase in profitability and net profit grew to more than 4x in FY21.

On the Balance Sheet front, your Company's Net Worth increased to ₹ 63,081.43 Lakhs in FY21 as compared to ₹ 58,374.76 Lakhs in FY20. The Company's total debt reduced to ₹ 21,415.73 Lakhs in FY21 as compared to ₹ 28,051.63 Lakhs during FY20. The Net block (including capital work-in-progress) of your Company decreased to ₹ 43,101.64 Lakhs during FY21 as compared to ₹ 44,137.22 Lakhs during FY20, primarily due to the depreciation for the period. The long-term investment increased to ₹ 6,769.01 Lakhs in FY21 from ₹ 6,468.01 Lakhs in FY20 due to additional investment in a subsidiary as well as fresh investment in a subsidiary. The Company's net current assets decreased marginally to ₹ 38,803.14 Lakhs during FY21 from ₹ 39,301.88 Lakhs during FY20, mainly due to a further decrease in total receivables. Substantial improvement

in overall working capital during FY21 resulted in accumulation of surplus fund of more than ₹ 20,000 Lakhs.

GLOBAL HEALTH PANDEMIC FROM COVID-19

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

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

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

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

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

CORPORATE HIGHLIGHTS

Access to Capacity

During the year under review, your Company had access to ~63 million square meters (msm) of tiles, mainly through its own

plants (26.28 msm), through subsidiaries/associates (26.39 msm) and through other outsourced partners (~10 msm). In the Bathware segment, your Company had manufacturing capacity of 1.15 million pieces per annum of sanitaryware and 0.65 million pieces per annum of bath fitting items in its subsidiaries.

Capital Expenditure

Your Company continued to invest in expanding and upgrading its plant and machinery and infrastructure. During the year under review, one old line at Kadi plat was revamped completely, resulting in a conversion of existing low value-added capacity into value-added. Gross block increased by ₹ 3834.62 Lakhs (previous year ₹ 10,109.50 Lakhs) on account of addition in fixed assets.

Branding and Distribution

The Financial Year 2020-21 was not a simple year, it was a year with challenges, new learning and fresh approach towards business and made us realise how things can change very quickly. This made us to remodel the planning the system and adopt the various new things in the marketing domain. Digital media became our main focus and various initiatives in digital were taken, so that the consumers and stakeholders remain connected with the Company.

To reach out to the public at large we carried out a 5-week TV Campaign in News Genre, targeting channels in HSM (Hindi Speaking markets), TN and Kerala markets. The campaign started from November 27, 2020 and was aired across leading News channels – Aajtak, ABP News, News18 India, Zee News and regional news channels Asianet News, Polimer News, Mathrubhumi News and many more. TV Campaign was also done on regional news channels like Zee Bihar Jharkhand, News18 UP/UK etc.

To further boost our presence, we also took associate sponsorship of Bigg Boss Season 14 on Colors Channel. As a part of this engagement we got a brand integration in the form of Somany task organised in the Bigg Boss House along with a branding in the garden area. We also got promo tags, brand Astons during the show to further reach out to the audience.

The new Germ Shield TVC was launched on social media to create awareness around the efficacy of these tiles and newspaper print campaign was carried out in order to generate dealership queries in many cities. About 30 print advertisement were carried out during this campaign.

Further, Somany won the accolade of being the most admired brand in the year 2020 and Mr. Abhishek Somany, Managing Director of the Company was awarded in the 8th White Page Leadership Conclave – 2020 for the distinction of being inspirational business leaders.

As a new initiative and looking at the changing business scenario the tile catalogues were digitalised and made WhatsApp friendly for employees, channel partners and influencers like architects, interior designers etc. In line with changing consumer behavior, Somany maintained Somany app and website. The customers were connected through push notifications and added new drag & drop features in the tile visualiser. Further, the company engaged with consumers on digital platforms through various campaign banner ads on high traffic websites like YouTube, Zee News and NDTV, etc. Along with this, sponsored ads were run on search and display networks (campaign based, brand-based and product-based). Webinars with stakeholders and Stay Home & Stay Safe Campaign during pandemic lockdown on Social Media which brought engagement and awareness among the audience w.r.t The New Normal, how life has changed due to COVID-19. Through Social Media Consumers were communicated tips to work from home effectively and also carried out a 21 days challenge to encourage users to take up a new hobby to keep them engaged during lockdown and through email marketing we kept the channel partners engaged during the lockdown.

Moving ahead in strengthening the distribution network and expanding your Company's footprint, we now have 364 franchise outlets. Our Company also has 17 Company Owned Outlet (COCO) all over India.

For brand visibility the company covered approximately 3000 dealers and more than 8000 sub dealer's counters with ZSJ (Zamin se Judey) campaign Branding & POSM (Point of Sale Material).

As the year was unusual and keeping in mind the safety and security of our trade partners Covid Safety Kits, Somany ZSJ Branded Counter Shield (Covid protection) & Sanitiser Dispensers were distributed. A Grand Virtual & Physical new product launch of Emboss collection with the dealers across locations was appreciated. To capture customers and create top-of-mind recall, new sites at the major Airports and Outdoor/ Dealer Hoardings were installed pan India of ZSJ Campaign.

A very positive response from the channel partners across Pan India on launch of Somany Digital Water Heater was received. These Digital Water Heater comes with an LED display which shows the temperature of the water inside the tank. During the year under review the Company launched Disinfectant and Cleaners which includes the Surface, Toilet and Faucet disinfectants. The bathware branding were placed at more than 600 stores across the nation and also covered more than 300 stores with In-shop branding.

We also created "Shop in Shop" zones in more than 80 stores across the nation to give an exclusive display zone for bathware products.

We also did 50 Virtual Meets with plumbers with an average of 8 plumbers per meeting. Due to such initiatives, we now have a base of more than 5000+ Plumbers and increasing.

INDIAN ECONOMY & INDUSTRY SCENARIO AND OUTLOOK

Economy

During FY21 overall economic growth remained under pressure, which was aggravated due to the outbreak of COVID-19. The Indian economy slowed to a contraction of 7.3% during the year as compared to growth of 4.2% in FY 20.

The Indian government initiated structural reforms in agriculture, labor laws and medium-small enterprise segments. The labor reforms were intended to empower MSMEs increase employment, enhance labor productivity and wages. India extended the Partial Credit Guarantee Scheme by relaxing the criteria and allowing state-owned lenders more time to purchase liabilities of shadow banks. Under the ₹ 45,000-crore partial credit guarantee scheme, announced as a part of the Atmanirbhar Bharat package, three additional months were given to banks to purchase the portfolio of non-banking financial companies. The government approved amendments to the Essential Commodities Act and brought an ordinance to allow farmers to sell their crop to anyone; the changes to the Essential Commodities Act, 1955, were intended to 'deregulate' agricultural commodities (cereals, pulses, oilseeds, edible oils, onions and potatoes from stock limits). The government approved the Farming Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020, to ensure barrier-free trade in agriculture produce.

The Government relaxed foreign direct investment (FDI) norms for sectors like defense, coal mining, contract manufacturing and single-brand retail trading.

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

Industry

In FY21 Tile, Sanitary ware and Bath Fittings industry have been facing continuous a challenge due to sluggish demand and high input costs due to hardening of gas prices and increase in brass rate. With the implementation of e-invoicing compliance to GST has improved which can be observed through the high GST collection month on month.

Although in the short-term the outlook seems to be under pressure, your company is optimistic on the medium to long term prospects in view of several government initiatives for encouraging infrastructure development and favorable demographics including increasing urbanization expected to drive the offtake in the tiles, sanitary ware and bathroom fittings industry.

DIVIDEND

During the year, based on the Company's performance, your Board of Directors declared and paid interim dividend of 120% i.e. ₹ 2.40 per equity share on March 17, 2021. The Board recommend the interim dividend so paid as final dividend for the Financial Year 2020-21.

DIVIDEND DISTRIBUTION POLICY

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

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

expansion of production capacities of the company from time to time and keeping in view contingencies for meeting unforeseen financial obligation of the Company.

The dividends declared/recommended during the year are in accordance with the said Policy.

The Dividend Distribution policy is also available on the website of the Company at the web link: https://www.somanyceramics.com/pub/media/investorrelation/d/i/dividend_distribution_policy_scl.pdf

UTILISATION OF PROCEEDS ON ISSUE OF SHARES

Out of ₹ 11,999.97 Lakhs raised through qualified institutions placement of equity shares in December, 2015, the Company has so far utilised ₹ 8,770.66 Lakhs (including issue expenses of ₹ 307.34 Lakhs) for the purpose the funds were so raised and balance ₹ 3,229.31 Lakhs has been temporarily invested mainly in debt instruments/funds.

PUBLIC DEPOSITS

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

SCHEME OF AMALGAMATION

The Board at its meeting held on August 22, 2019 approved scheme of amalgamation of Schablona India Limited with the company from the appointed date i.e. April 1, 2019. The SEBI has approved the said scheme and the first motion application was filed with the Hon'ble National Company Law Tribunal (NCLT), Principal Bench, New Delhi by Schablona India Limited and NCLT had passed an order dated November 5, 2020 read with order dated October 14, 2020 for convening the meetings of equity shareholders, secured creditors and unsecured creditors on December 28, 2020. The equity shareholders, secured creditors and unsecured creditors approved the scheme of amalgamation of Schablona India Limited with the company on December 28, 2020 and second motion application was filed with Hon'ble National Company Law Tribunal (NCLT), Principal Bench, New Delhi on January 6, 2021. The hearing is fixed in this matter for consideration of NCLT on August 6, 2021.

The first motion application was filed with the Hon'ble National

Company Law Tribunal (NCLT), Kolkata Bench, Kolkata by Somany Ceramics India Limited and NCLT had passed an order dated February 2, 2021 for convening the meetings of equity shareholders, secured creditors and unsecured creditors on March 31, 2021. The equity shareholders, secured creditors and unsecured creditors approved the scheme of amalgamation of Schablona India Limited with the company on March 31, 2021 and second motion application was filed with Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench, Kolkata on April 14, 2021. The hearing is fixed in this matter for consideration of NCLT on June 30, 2021.

SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES

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

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

The statement required under Section 134 of the Companies Act, 2013 in respect of the subsidiary companies, associates and joint venture is provided at Annexure – 1 to this report, which comprises performance and financial position of each of subsidiaries, associates and joint venture.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All transactions entered with Related Parties during the financial year were on arm's length basis and were in the ordinary course of business. Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have potential conflict with

the interest of the Company at large. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2, is not required. Your directors draw attention of the shareholders to the financial statements which set out related party disclosures.

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RISK MANAGEMENT

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

INVESTOR EDUCATION & PROTECTION FUND (IEPF)

The Company is required to transfer dividends which remained unpaid/ unclaimed for a period of seven years to the IEPF established by the Central Government. The unpaid/ unclaimed dividend for the year ended March 31, 2014 is due for transfer to IEPF on or after October 9, 2021.

During the period under review, the Company transferred 8,797 Equity shares of ₹ 2/- each, dividends of which remained unclaimed for a consecutive seven years i.e. from 2012-13 to 2019-20, to Investor Education and Protection Fund (IEPF) pursuant to Section 124 (6) of the Companies Act, 2013 within the scheduled time.

STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

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

AUDITORS' REPORT

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, had been followed with proper explanation and there are no material departures from the same;
- b) The Directors' had selected such accounting policies, applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date.
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors had prepared the annual accounts on a going concern basis.
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and are operating effectively; and

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

CONSOLIDATED FINANCIAL RESULTS

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

The consolidated net profit of your Company was ₹ 5,770.03 Lakhs in the year under review compared to ₹ 1,500.25 Lakhs in the corresponding previous year.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Tuljaram Maheshwari, Non- Executive Non Independent Director and Mrs. Anjana Somany, Whole Time Director of the Company resigned from the Directorship of the Company w.e.f. June 9, 2020 and June 16, 2021 respectively. The Board places on record contribution made during their tenure of Directorship in the Company.

Mr. Abhishek Somany, Managing Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Mr. Ghanshyam Girdharbhai Trivedi, Non Executive Non Independent Director of the Company will be completing 75 years of his age on September 18, 2021 and as per the Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the continuation of Mr. Ghanshyam Girdharbhai Trivedi as Director of the Company would require to be approved by the shareholders by passing a special resolution as recommended by the Board.

DECLARATION OF INDEPENDENCE

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

and Qualifications of Directors) Rules, 2014, amended as on date.

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

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

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 evaluation is carried out by the Board, Nomination Remuneration Committee (NRC) and by the Independent Directors. The Board has carried out an annual performance evaluation of its own, individual Directors including Independent Directors (excluding the director being evaluated) and its Committees.

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

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

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

The quality, quantity and timeliness of flow of information

between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties were also evaluated in the said meeting.

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

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

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

NOMINATION AND REMUNERATION POLICY

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

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

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

Senior Management and other employees of the Company.

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

MEETINGS OF THE BOARD

Five (5) meetings of the Board of Directors, One (1) meeting of Nomination and Remuneration Committee, Four (4) meetings of Stakeholders Relationship Committee and Five (5) meetings of Audit Committee were held during the year under review, the details of which are given in the Corporate Governance Report forming part of this Annual Report.

AUDIT COMMITTEE

The constitution of the Audit Committee is Mr. Rameshwar Singh Thakur, Chairman of the Committee and Mr. Salil Singhal, Mr. Vineet Agarwal and Mr. Ghanshyam Girdharbhai Trivedi are other members of the Audit Committee.

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

AUDITORS

M/s. Singhi & Co., Chartered Accountants, having Firm Registration No.302049E were appointed as Statutory Auditors of the Company for a period of 5 (Five) consecutive years at the 49th Annual General Meeting (AGM) held on August 25, 2017, to hold office till the conclusion of the 54th AGM of the Company, subject to ratification of their appointment at every AGM, in terms of first proviso to Section 139 of the Companies Act, 2013, read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014.

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

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors, in their report for the financial year ended March 31, 2021.

Pursuant to provisions of the Section 143(12) of the Companies Act, 2013, neither the Statutory Auditors nor the Secretarial Auditor has reported any incident of fraud during the year under review.

SECRETARIAL AUDITOR AND THEIR REPORT

The Board had appointed M/s Pinchaa & Co., Company Secretaries having registration number P2016RJ051800 to conduct Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed and marked as Annexure – 2 to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return as at March 31, 2021 on its website at <https://www.somanyceramics.com> at web link: https://www.somanyceramics.com/pub/media/investorrelation/f/_/f_annual_return_2020-21_2_.pdf

By virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

CSR Committee undertakes CSR activities in accordance with its Corporate Social Responsibility Policy (CSR Policy) uploaded on the Company's website at www.somanyceramics.com at the web link: https://www.somanyceramics.com/pub/media/investorrelation/c/o/corporate_social_responsibility_policy_revised_16-06-2021.pdf

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

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

In fiscal 2021, the Company's CSR efforts included COVID-19 relief also. The 2% of the average net profit of the Company, made during the three immediately preceding financial years comes out to be ₹ 117.21 Lakhs. A report on CSR activities is provided in Annexure – 3 to this report.

INTERNAL CONTROL SYSTEMS

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

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

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

INTERNAL FINANCIAL CONTROL

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

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

HUMAN RESOURCE (HR)

Right from the start of pandemic, it was important for the HR to be

proactive, prompt and integrated when it came to implementation of COVID 19 safety norms, creating awareness about necessary standards/ guidelines/ directives and engaging our employees to pass through this unexpected transformation. Our in-house expert faculty helped deliver important processes and updates through various training modules and webinars. Important information and communications were regularly dissipated across organization through frequent webinars and instructor-led sessions.

To engage employees and to equip them with new-age professional skills, specialised functional and wellness training sessions were organised through our web-based learning portal and other technology based tools. During the entire period, we inspired people through active learning opportunities and also encouraged employees to take up courses which they felt were relevant to them.

People Engagement & connect initiatives:

Considering people engagement as the key driver of our team effectiveness and business performance, we strengthened our engagement strategy to cope with new work norms after COVID-19. Although it was very tough and complex to engage people scattered across nation, but it was even more important to take care of them and keep their spirits high through pandemic. Disposing our pre-set structures, we created a purely new engagement plan from scratch which can fit in to requirement of time and address newly emerged challenges faced by people. We categorised our engagement initiatives under two themes: Employee Well Being & Employee Connect.

Employee Well-being:

- Continuous updates on the Pandemic – We keep our employees informed through communications and trainings about COVID-19 and what to expect before, during and after someone contracted the virus; what were the steps to be taken and how they could maintain a healthy lifestyle to prevent the disease.
- Doctor-on-Call – The facility of doctor was made available to all staff members to avoid them going out to hospitals for diagnosis. All general health issues were encouraged to be taken up with our Doctor-On call facility.
- Health & Fitness tips – Daily health and fitness tips were shared with employees throughout the lockdown with various

yoga asanas, exercises, immunity booster tips etc. We did this regularly throughout lockdown to encourage employees to keep themselves fit even withing their own premises. We even held mental health workshops which were spearheaded by an established Psychologist.

- For workers at the plants – Regular COVID-19 awareness sessions by expert doctors were organised. Regular health check-ups were done and they were trained and updated on the various uses and procedures for PPE kits.
- Vaccination Drive – We have organised a vaccination drive at the Kadi and Kassar Plants where we are inoculating staff, workers and their families at no cost. This is to ensure that more concentrated locations are well guarded against the current situation.
- #EldersFirst – To help our employees during these difficult times, we collaborated with EMOHA to provide the right and prompt medical care and emergency coordination for the elders (> 55 years) in their families. This facility allows them to get round the clock assistance and support for all the medical needs of the elderly.

Employee Connect:

- Employee-HR Connect – Keeping in touch with employees to ensure they and their families are safe and encouraging them to get vaccinated.
- Employee counselling: HR team spoke to employees and counselled them on how to manage their emotions and life during pandemic.
- Quick contact helpline: Employees were also provided contact details for HR SPOCS who were available for any kind of help or guidance when needed by the employee.
- Coffee with HR – Since we were all locked in our homes, we found an engaging way to connect employees with our virtual Coffee with HR sessions. The HR Head, management team members and selected employees would get together to enjoy a cup of coffee and talk as colleagues. Employees were encouraged to share their experiences of working from home and would share ideas and suggestions of how to cope with it.
- Mood-O-Meter – By mid-lockdown, we innovated a mood-

o-meter tool to catch up moods of all employees at once and know their prominent feelings during and post-lockdown, their views on the rise of cases in COVID-19 etc. The idea behind this was to know where they stand and what more we can do to make them feel engaged, happy and involved.

- Virtual Birthday Celebrations – We kept our birthday celebrations ongoing, even with more warmth and zeal through virtual platforms. Thanks to technology and our innovative minds that We would host a birthday celebration each month for all employees with birthdays in that month. With lockdown, this wasn't possible so we chose the next best thing – a virtual party. Birthday celebrations were conducted through virtual meetings but ensured to make them feel as special as when we were with them.

Employee and family indoor engagement suite: Somany Stay Indoors Challenges

- Working from home did not need to be all work and no play. Living completely indoors with small children was a new but challenging experience. We decided to encourage our employees to spend lots of time with their families doing fun, crazy stuff.
- That is when the #SomanyStayIndoors Challenge concept was innovated and implemented across India beautifully. There were challenges like Tea time Snack challenge, Family Painting together challenge, DIY Face mask challenge and Rangoli competition that got brilliant participation and smiles on our employees faces. Each challenge was unique and was required to be done as a family and the Rangoli competition was opened to use any kind of materials found in their homes. It was fun to see the various items used for Rangoli like utensils, toys and even our very own business cards.
- To showcase this talent, we made our own Web-based platform called HUNAR, where talent shines. Hunar has now become a way to access memories for all major employee engagement activities and events.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has a continuous Vigil Mechanism/ Whistle Blower Policy in line with Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Section 177(9) of the Companies Act, 2013. The policy enables

the stakeholders (including Directors and employees) to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct.

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

The information on conservation of energy, R&D, technology absorption, foreign exchange earnings and outgo as required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 forming part of this Report as Annexure – 4.

PARTICULARS OF EMPLOYEES

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

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a

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

CORPORATE GOVERNANCE

Your Company has been following the principles and practices of good Corporate Governance. A separate report on Corporate Governance and a certificate from the Statutory Auditors confirming compliance with the Corporate Governance requirements forms part of this Report as Annexure – 6.

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

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

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

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

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L40200WB1968PLC224116			
2.	Name of the Company	Somany Ceramics Limited			
3.	Registered address	2, Red Cross Place, Kolkata - 700 001			
4.	Website	www.somanyceramics.com			
5.	E-mail id	corporateaffairs@somanyceramics.com			
6.	Financial Year reported	April 1, 2020 to March 31, 2021			
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Code as per NIC – 23929 - Ceramic/Vitrified Wall & Floor Tiles, Sanitaryware and Bath Fittings.			
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Ceramic/Vitrified Wall & Floor Tiles, Sanitaryware & Bath Fittings.			
9.	Total number of locations where business activity is undertaken by the Company	A	Number of International Locations		NIL
		B	Number of National Locations		
		i	Manufacturing Locations		
			Own		2
			Subsidiaries/Associates/JVs		13
		ii	Sales Depot		6
			Showrooms/ Display centers		383
		Iv	Registered Office		1
			Corporate Office		1
10.	Markets served by the Company	Local	State	National	International
		√	√	√	√

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	₹ 847.59 Lakhs
2.	Total Turnover	₹ 1,63,014.93 Lakhs
3.	Total profit after taxes	₹ 5,588.86 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent ₹ 117.21 Lakhs (2% of the average net profit after taxes in the previous three financial year) towards CSR activities during the year.
5.	List of activities in which expenditure in 4 above has been incurred:-	<ul style="list-style-type: none"> • Healthcare - COVID-19 Rehabilitation • Skill Development • Promoting Education • Protection of art and culture

SECTION C: OTHER DETAILS

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

SECTION D: OTHER DETAILS

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

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

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

b) Details of the BR Head

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

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

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

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

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Company has adopted various national and international standards viz: 1. ISO 9001: 2015 for Quality Management System 2. ISO 14001: 2015 for Environment Management System 3. ISO 45001: 2018 Occupational Health and Safety Management System. 4. ISO 22000: 2005 for Food Safety Management System.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	https://www.somanyceramics.com/investor-relation/?ajax=1&category=21								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been posted on the Company's website for information of all stakeholders.								
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

b) If answer to the question at serial number no. 1 against any principle is 'No', explain why: (Tick up to 2 options): N/A

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

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

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

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

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

SECTION E: PRINCIPLE- WISE PERFORMANCE

Principle 1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability.

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

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

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

During the year 2 complaints were received from the investors. All these investor's complaints were properly attended and necessary actions were taken. In addition, the company received customer complaints which were addressed suitably from time to time.

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

1. List up to 3 of your products or services whose design has

incorporated social or environmental concerns, risks and/or opportunities.

- a. Germ Shield VC Tile
 - b. Training and Certification to Masons through Tile Master Programme
 - c. Less specific consumption of thermal and electrical energy having environmental impact on greenhouse gas emission
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
- a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
 - b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Energy efficient process:

- (i) During the period under review, Solar Plant generated more than 10.48 Lakhs units and optimised use of the renewable energy. (2) Conversion of higher capacity (KW) motors with Lower Capacity (KW) motors (3) Installation of LED lights (4) Installation of variable frequency drives in fans, blowers & pumps of kilns & cooling towers (5) Stopped idle running of some lines/equipment's by automation (6) optimization of Grid power for power cost reduction and (7) optimization of power trading for the power cost reduction.
- (ii) Substantial natural gas saving achieved in horizontal dryer of GVT 01 plant by using some additional heat recovery from GVT 01 kiln.
- (iii) Energy efficient motors used in Kilns & Horizontal Dryers to reduce electrical power consumption.
- (iv) Saved energy consumption by reducing the maximum working air pressure of air compressors.
- (v) Industrial Effluent (Water): Treatment of all effluents through ETP's to separate the water and solids. The

Solid waste is used as a raw material in the process and water is reused in the process.

- (vi) Domestic Effluents: The domestic effluent is treated through STP unit to remove all the impurities (COD & BOD) and to reuse the water in process. Sludge generated is used as a manure for gardening. Our Industry is zero water discharge.
 - (vii) Process Waste: All in-process wastes are recycled and re-used in process.
 - (viii) The overall reduction cannot be quantified keeping in view the several activities done by the company for energy conservation.
3. Does the company have procedures in place for sustainable sourcing (including transportation)?

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

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

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

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

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

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

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

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

- i. Please indicate the total number of employees.

The total number of permanent employees are 1934 as on March 31, 2021.

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

Total temporary/contractual/casual employees are 1077 as on March 31, 2021.

- iii. Please indicate the number of permanent women employees.

There were 34 permanent women employees as on March 31, 2021.

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

There was 1 permanent employee with disabilities as on March 31, 2021.

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

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

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

N.A

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

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

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

I	Permanent Employees	78.30%
II	Permanent Women Employees	-
III	Causal/Temporary/Contractual Employees	75.10%
IV	Employees with Disabilities	100%

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

- Has the company mapped its internal and external stakeholders? Yes/ No
Yes.
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?
Yes.
- Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

Our CSR approach focuses on the development of communities around the vicinity of our plants and covers area of promoting education, construction of art and public library, vocational

skills also developed innovative programmes that leverage our capabilities as a tile manufacturer.

Our “Tile Master” initiative has cumulatively trained more than 3361 masons/workers on tile laying techniques and improved their productivity and livelihood.

Principle 5 - Business should respect and promote human rights.

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

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

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

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

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

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

The Policy on environment covers the Company only.

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

Yes. The Company has an Environmental Policy which guides the organization to continually mitigate the impact on climate change and global warming as a result of our operations. The company works continuously to reduce the waste and is focused on creating green infrastructure designed for better energy efficiency and efficient operations. The policy is on the website of the Company at the weblink: https://www.somanyceramics.com/pub/media/investorrelation/e/n/enviornmental_policy.pdf

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

Yes.

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

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

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

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

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

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

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

None.

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

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

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

- a) Indian Council of Ceramic Tiles and Sanitary ware (ICCTAS)
- b) Confederation of Indian Industry (CII)
- c) PHD Chamber of Commerce
- d) Merchant Chamber of Commerce and Industry
- e) The Associate Chamber of Commerce of India

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

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

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

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

The Company has taken a holistic approach towards the development of the deprived groups of the society. The Company work in the areas of education, healthcare, skill development and protection of art and culture. To oversee implementation of various initiatives, Company has formed a Board Level Committee called Corporate Social Responsibility (CSR) Committee.

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

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

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

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

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

The Company has spent an amount of ₹ 117.21 Lakhs in various CSR activities during the financial year 2020-21. The details of the amount incurred on areas covered are given in Annexure to

the report on Corporate Social Responsibility forming part of this Report.

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

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

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

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

The Company has an effective system for addressing customer complaints. The customer complaints filed against the Company for defects in the products of the Company are negligible in number compared with annual sales volume.

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

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

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

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

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

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

OTHER DISCLOSURES

- I. There were no significant material orders passed by the Regulators / Courts during the financial year 2020-21 which

would impact the going concern status of the Company and its future operations.

- II. There were no significant material changes and commitments in terms of Section 134(3) (l) of the Companies Act, 2013, affecting the financial position of the Company.

- III. SEBI has given its NOC dated April 22, 2020 for the merger of Schablona India Limited with the company subject to the necessary approval of NCLT. The Schablona India Limited and Somany Ceramics Limited have obtained approval of the equity shareholders, secured creditors, unsecured creditors in their respective court convened meeting held on December 28, 2020 and March 31, 2021 respectively. The process of approval of NCLT is in progress.

- IV. The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the company.

- V. During the reporting period the company has incorporated one wholly owned subsidiary i.e. Somany Piastrelle Private Limited and no existing subsidiary, joint venture or associate company has ceased.

- VI. There are no proceedings initiated/ pending against your company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the Company.

- VII. There was no instance of one-time settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Shreekant Somany

Chairman and Managing Director

DIN:00021423

Place: Noida

Dated: June 16, 2021

ANNEXURE – 1

Statement pursuant to Section 134 of the Companies Act, 2013

Form AOC-1

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

PART-A: Subsidiaries

(₹ in lacs)

Name of the Subsidiary companies	SR Continental Ltd.	Somany Bathware Ltd. (formerly known as Somany Global Limited)	Somany Excel Vitrified Pvt. Ltd.	Somany Piastrelle Private Limited	Amora Tiles Pvt. Ltd.	Somany Fine Vitrified Pvt. Ltd.	Somany Sanitary Ware Pvt. Ltd.	Sudha Somany Ceramics Pvt. Ltd. (formerly known as Sudha Ceramics Pvt. Ltd.)	Amora Ceramics Pvt. Ltd.	Somany Bath Fittings Private Limited (Karanjot Enterprises Private Limited)
Reporting period for the subsidiary concern, if different from the holding Company's reporting Period	NOT APPLICABLE									
Date since when subsidiary was acquired	June 25, 1979	December 26, 2006	October 30, 2015	February 18, 2021	November 29, 2013	May 30, 2015	June 1, 2015	September 20, 2017	March 30, 2018	May 1, 2018
Share Capital	18.50	50.00	351.00	1.00	1,040.00	1500.00	990.00	2000.00	900.00	185.91
Reserves & surplus / (Accumulated Losses)	115.58	45.30	21.17	(0.33)	613.36	767.79	190.14	(739.44)	(251.01)	552.69
Total assets	146.57	95.65	400.37	28.26	3624.30	5942.83	4499.57	12745.65	2744.38	1373.48
Total liabilities (Excluding Share Capital & Reserves)	12.48	0.35	28.20	27.59	1970.95	3675.04	3319.43	11485.09	2095.39	634.88
Investments	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Turnover including other income	39.66	5.00	270.50	0.00	5849.75	7667.19	4580.37	9434.54	4404.28	2005.66
Profit / (Loss) before taxation	(0.46)	3.59	23.59	(0.39)	(182.42)	(275.88)	32.83	192.51	(104.90)	(41.62)
Provisions for taxation	0.08	(2.36)	0.86	(0.07)	(50.29)	(76.70)	11.70	72.76	(26.33)	(11.13)
Profit / (Loss) after taxation	(0.54)	5.95	22.73	(0.32)	(132.14)	(199.18)	21.13	119.75	(78.57)	(30.49)
Other Comprehensive Income	Nil	Nil	Nil	Nil	2.28	1.69	(0.72)	(1.76)	0.43	(0.01)
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% of shareholding	100%	100%	100%	100%	51%	51%	51%	60%	51%	51%

- Name of the Subsidiary which is yet to commence operations - Somany Piastrelle Private Limited
- Name of the subsidiaries which have been liquidated or sold during the year - None

Part B: Associates and Joint Ventures

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

Name of the associates/ joint ventures	Acer Granito Pvt. Ltd.	Vicon Ceramic Pvt. Ltd.	Vintage Tiles Pvt. Ltd.
Latest audited balance sheet date	March 31, 2021	March 31, 2021	March 31, 2021
Date on which the Associate or Joint Ventures was associated or acquired	March 8, 2014	November 26, 2013	January 13, 2012
Shares of associate/ joint ventures held by the Company at the year end	1,460,000	2,535,000	4,500,000
Amount of investment in associates/ joint venture (₹ in Lakhs)	511.00	253.50	1399.50
Extend of Holding %	26.00%	26.00%	50.00%
Description of how there is significant influence	Section 2(6)	Section 2(6)	Section 2(6)
Reason why the associates/ joint venture is not consolidated	NA	NA	NA
Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ in Lakhs)	679.53	268.75	728.76
Profit/ Loss for the year (₹ in Lakhs)	129.50	65.72	(96.09)
a) Considered in Consolidation (₹ in Lakhs)	129.50	65.72	(96.09)
b) Not considered in consolidation	-	-	-

- Name of the Associates or joint Venture which are yet to commence operations - None
- Name of the Associates or joint Venture which have been liquidated or sold during the year -None

For and on behalf of the Board

Place: Noida
Dated: June 16, 2021

Shreekant Somany
Chairman and Managing Director
DIN:00021423

ANNEXURE – 2

Form No.: MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended on March 31, 2021

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

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

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

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

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

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the reporting period under audit)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-

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

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the reporting period under audit)**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase

Scheme) Guidelines, 1999; **(Not applicable to the Company during the reporting period under audit)**

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the reporting period under audit)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the reporting period under audit)** &
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the reporting period under audit)**
- (vi) As confirmed and certified by the management, there is no sectoral law specifically applicable to the Company based on their Sector/Business.

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

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

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

We further report that, during the year under review:

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

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

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

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

We further report that during the audit period:

- a) Shareholders, secured creditors and unsecured creditors of the Company have approved the Scheme of Amalgamation of Schablona India Ltd with Somany Ceramics Ltd. in their separate meetings held on March 31, 2021 convened pursuant to the order issued by Hon'ble NCLT Bench at Kolkata. The said Scheme is subject to necessary approvals from Hon'ble NCLT Bench at Kolkata.

For Pinchaa & Co.

Company Secretaries

Firm's U.C.N. P2016RJ051800

Firm's P.R. Certificate No. 832/2020

Pradeep Pincha

Partner

M. No. FCS 5369

C. P. No.:4426

UDIN: F005369C000305152

Dated: May 11, 2021

Place: Jaipur

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

Annexure-A

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

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

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

For Pinchaa & Co.

Company Secretaries

Firm's U.C.N. P2016RJ051800

Firm's P.R. Certificate No. 832/2020

Pradeep Pincha

Partner

M. No. FCS 5369

C. P. No.:4426

UDIN: F005369C000305152

Dated: May 11, 2021

Place: Jaipur

ANNEXURE – 3

REPORT ON CSR ACTIVITIES OF THE COMPANY

FOR THE YEAR ENDED MARCH 31, 2021

1. Brief outline on CSR Policy of the Company

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

Your Company carried out the CSR activities either directly or through H.L Somany Foundation, a Section 8 Company under the Companies Act, 2013. During the year, your company directly/through H.L Somany Foundation undertook several CSR initiatives for Promoting education, Skill Development, Preserving works of art, promotion and development of traditional arts, Eradicating hunger and various other activities as per CSR Policy of the Company.

2. Composition of the Committee:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Abhishek Somany	Chairman of CSR Committee and Managing Director of the Company	2	2
2.	Mr. Salil Singhal	Member of CSR Committee and Independent Director of the Company	2	2
3.	Mr. Ravinder Nath	Member of CSR Committee and Independent Director of the Company	2	2
4.	Mr. Siddharath Bindra	Member of CSR Committee and Independent Director of the Company	2	2

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects/activity approved by the board are disclosed on the website of the company.

The web link of the Composition of CSR Committee is https://www.somanyceramics.com/pub/media/investorrelation/b/o/board_of_directors_composition_committee_2019.pdf

The web link to the Contents of the CSR Policy is https://www.somanyceramics.com/pub/media/investorrelation/c/o/corporate_social_responsibility_policy_revised_16-06-2021.pdf

The web link of the CSR projects/activity is https://www.somanyceramics.com/pub/media/investorrelation/d/e/details_of_csr_project.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Not applicable for the Company.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year.

No amount is available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and no amount is required for set off for the financial year.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1.	2020-21	NIL	NIL

6. Average net profit of the company as per Section 135(5): ₹ 5,860.54 Lakhs

7. (a) Two percent of average net profit of the company as per Section 135(5): ₹ 117.21 Lakhs

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 117.21 Lakhs

8. (a) CSR amount spent or unspent for the financial year (₹ in Lakhs)

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

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

There are no ongoing projects of the company for the financial year.

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

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

1 S. No.	2 Name of the Project	3 Item from the list of activities in Schedule VII to the Act.	4 Local area (yes/ No)	5 Location of the project		6 Amount spent for the project (in ₹)	7 Mode of Implementation - Direct (Yes/No)	8 Mode of Implementation - Through Implementing Agency.	
				State	District			Name	CSR Registration Number
1.	Covid -19 Relief & Rehabilitation Expenses	Eradicating hunger, promoting health care	Yes	Haryana Kerala New Delhi	Bahadurgarh Thiruvananthapuram	12.20	Both- Direct and through implementing agency	H. L. Somany Foundation	CSR00003400
2.	Training to Mason – Tile Master Program	Skill Development	Some amount spent in local area	Delhi/ Haryana/ Uttar Pradesh/ Himachal/ Gujarat/ Rajasthan		2.41	Yes	Direct by the Company	-
3.	Promoting education	Promoting education	No	New Delhi	New Delhi	50.00	No	H. L. Somany Foundation	CSR00003400
4.	Promoting Education	Promoting Education	No	New Delhi	New Delhi	40.00	No	H. L. Somany Foundation	CSR00003400
5.	Construction of Art and public library	Protection of art and culture	No	Karnataka	Bangalore	11.00	No	H. L. Somany Foundation	CSR00003400

(d) Amount spent in Administrative Overheads : ₹ 1.61 Lakh*

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

(e) Amount spent on Impact Assessment, if applicable : NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 117.21 Lakh

(g) Excess amount for set off, if any : NIL

S. No.	Particulars	Amount (₹ In Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	117.21
(ii)	Total amount spent for the Financial Year	117.21
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

There is no amount due of unspent CSR amount for the preceding three financial years.

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

There is no amount due of CSR amount spent in the financial year for ongoing projects of the preceding financial years.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.

There is no creation or acquisition of capital asset by the Company through CSR spent in the financial year.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5). Not Applicable

The company spent the two per cent of the average net profit as per Section 135(5) of the Companies Act, 2013.

Place: Noida

Date: June 16, 2021

Shreekant Somany

Chairman and Managing Director

Abhishek Somany

Managing Director and Chairman of the CSR Committee

ANNEXURE – 4

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

CONSERVATION OF ENERGY

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

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

After up gradation of incoming power supply, the Company optimised the cheapest grid power up to the level of 97.32%, which helped to reduce the captive power generation and reduced our power cost substantially. Due to high voltage line & independent feeder the reliability of power has improved as power interruptions have gone down thus losses were reduced.

- i. Increase in power trading units at 33 KV which reduced the power cost. Company also traded the units 16.40 million (could not trade in Q1 due to lock down) at lowest price compare to the cost of the electricity supplied by grid.
- ii. Utilised the waste heat of the kiln into the Horizontal Dryer by using heat recovery duct with insulation and saved substantial amount of natural Gas.
- iii. Insulated the Heat recovery ducts at kiln & dryer area by identifying the hot spots with the help of thermal imager.
- iv. Used High Efficacy LED Lights which reduced Power Consumption.
- v. Installed variable frequency drives in fans, blowers & pumps of kilns & cooling towers in close loop with temperature sensors/pressure sensors/ultrasonic water level controllers which reduced power consumption &

smoothen the process also.

- vi. Small PLC timer used for the agitators to operate intermittently instead of continuous use. Reduced running by 40%.
 - vii. Small PLC (LOGO) timer used for the Glaze Ball Mills to stop the mill in auto mode when the grinding time is over which saved the electricity improve efficiency of the process.
 - viii. Highly Energy efficient IE3 motors used in kilns & Horizontal Dryers to reduce electrical power consumption.
 - ix. Low power loss capacitor with APFC relays used to maintain a good power factor at load end which reduce the voltage drop as well as the distribution losses.
 - x. Replacement of bigger motor with smaller one after load analysis by using VFD saved more electricity.
 - xi. Solar Plant of the company generated more than 1.05 million units as solar power is a renewal energy so there is substantial reduction in emission of greenhouse gasses hence good for environment.
 - xii. Installed helical type gear box by replacing worm gearbox for Stirrer of Feed tank which saves electricity.
 - xiii. Using inverter to the Fume suction blower of Digital p/m which reduced cost of the electricity.
 - xiv. The capital investment on energy conservation equipment's was ₹ 1.73 Lakhs during the financial year 2020-21.
- (b) Impact of measures (a) above for reduction of energy consumption consequent impact on cost of production of goods.

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

TECHNOLOGY ABSORPTION

A. Research and Development;

i. Specified areas of R&D

The company has very focused approach in R&D—in the last year we developed germ shield tile which was well accepted by the market in the post Covid era. People are becoming more and more health conscious and our timely introduction gave us an edge in the market.

We introduced many designs across sizes; out of those, the newly developed Embossed is first of its kind in 600X1200. Various other Researches include incorporation of Glass powder, a waste in glass industry, as a substitute of frit.

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

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

Newly launched Germ Free tiles is well accepted by the market and it helped us to improve our top and bottom line. We have developed this special property with a low cost formulation unlike the costly option adopted by most of the competition.

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

iii. Future R & D Plans

The research and development division of the company is always engage themselves for development of new designs and variety of products to meet the high expectations of the customers.

It endeavors to develop new products which are different in design, effects and sizes with cost optimization. Many innovative steps are being taken to improve our fuel efficiency. A new tool of Thermal imaging is going to help us in identifying the opportunity areas to reduce thermal and electrical energy consumption.

iv. Expenditure on R & D

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

B. Technology absorption, adaptation and innovation

The Company continues to fully adopt and keeps its R&D and Technical staff fully abreast with the latest technologies and products globally. Employees attended various seminars, conference to keep them updated and identify opportunities.

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

C. Foreign Exchange Earnings and Outgo:

(i) Foreign Exchange Earnings ₹ 6,619.02 Lakhs

(ii) Foreign Exchange Outgo ₹ 1,294.78 Lakhs

For and on behalf of the Board

Shreekant Somany

Chairman and Managing Director

DIN:00021423

Place: Noida

Dated: June 16, 2021

ANNEXURE – 5

INFORMATION AS PER SECTION 134 AND SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2021.

REMUNERATION PAID TO DIRECTORS

Name of the director	Title	Remuneration in fiscal 2021 (₹ in Lakhs)	Remuneration in fiscal 2020 (₹ in Lakhs)	No. of Stock Option / RSUs granted in fiscal 2021	% increase of remuneration in 2021 as compared to 2020	Excl. WTD	Incl. WTD
						Ratio of remuneration to MRE #	Ratio of remuneration to MRE and WTD #
Mr. Shreekant Somany	Chairman and Managing Director	153.97	299.60	Nil	-48.61%	44.85	44.81
Mr. Abhishek Somany	Managing Director	377.56	332.70	Nil	13.48%	109.99	109.87
Mrs. Anjana Somany	Whole-Time Director	24.26	26.88	Nil	-9.74%	7.07	7.06
Mr. Salil Singhal	Independent Director	1.00	1.45	Nil	-31.03%	0.29	0.29
Mr. Ravinder Nath	Independent Director	0.90	1.00	Nil	-10.00%	0.26	0.26
Mr. G. G. Trivedi	Non- Executive Director	1.10	1.35	Nil	-18.52%	0.32	0.32
Mr. Siddharath Bindra	Independent Director	1.20	1.60	Nil	-25.00%	0.35	0.35
Mr. Rameshwar Singh Thakur	Independent Director	1.25	1.35	Nil	-7.41%	0.36	0.36
Mrs. Rumjhum Chatterjee	Independent Director	0.80	1.25	Nil	-36.00%	0.23	0.23
Mr. Tuljaram Maheshwari*	Non- Executive Director	-	0.90	Nil	-100.00	-	-
Mr. Vineet Agarwal	Independent Director	1.05	1.20	Nil	-13.00%	0.31	0.31

*Ceased to be the directors of the company w.e.f. June 9, 2020.

Rounded off to two decimal

RSUs: Restricted Stock Units

WTD: Whole Time Director

MRE: Median Remuneration of Employees

REMUNERATION OF KEY MANAGERIAL PERSONNEL (KMPS)

Name of the director	Title	Remuneration in fiscal 2021 (₹ in Lakhs)	Remuneration in fiscal 2020 (₹ in Lakhs)	No. of Stock Option / RSUs granted in fiscal 2021	% increase of remuneration in 2021 as compared to 2020	Excl. WTD	Incl. WTD
						Ratio of remuneration to MRE #	Ratio of remuneration to MRE and WTD #
Mr. Tuljaram Maheshwari *	Chief Executive Officer	0.00	54.67	Nil	-100%	-	-
Mr. Saikat Mukhopadhyay	Chief Financial Officer	118.46	122.27	Nil	-3.12%	34.51	34.47
Mr. Ambrish Julka	Company Secretary and Compliance Officer	28.98	31.03	Nil	-6.61%	8.44	8.43

Rounded off to two decimal

RSUs: Restricted Stock Units

WTD: Whole Time Director

MRE: Median Remuneration of Employees

*Resigned w.e.f. June 9, 2020.

The Median Remuneration of Employees (MRE) excluding Whole-time Directors (WTDs) was ₹ 3,43,281 and ₹ 3,20,563.50 in fiscal 2021 and fiscal 2020 respectively. The increase in MRE (excluding WTDs) in fiscal 2021, as compared to fiscal 2020 is 7.09 %.

The Median Remuneration of Employees (MRE) including Whole-time Directors (WTDs) was ₹ 3,43,641 and ₹ 3,20,655 in fiscal 2021 and fiscal 2020 respectively. The increase in MRE (including WTDs) in fiscal 2021, as compared to fiscal 2020 is 7.17%.

The number of Permanent employees on the rolls of the Company as of March 31, 2021 and March 31, 2020 was 1934 and 2040 respectively.

The aggregate remuneration of employees excluding WTD fall by 4.97% over the previous fiscal. The aggregate decrease in salary for WTDs and other KMPs was 18.90% (on annualised basis) in fiscal 2021 over fiscal 2020. This was based on the recommendation of the nomination and remuneration committee to revise the remuneration as per industry benchmarks.

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

For and on behalf of the Board

Place: Noida

Dated: June 16, 2021

Shreekant Somany
Chairman and Managing Director
DIN:00021423

ANNEXURE – 6

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

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

1. The Corporate Governance Report prepared by Somany Ceramics Limited (hereinafter the “Company”), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”) (‘Applicable criteria’) with respect to Corporate Governance for the year ended March 31, 2021. This Certificate is required by the Company for annual submission to the Stock Exchanges and to be sent to the Shareholders of the Company.

MANAGEMENT’S RESPONSIBILITY

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

AUDITOR’S RESPONSIBILITY

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

OPINION

7. Based on the procedures performed by us and according to the information and explanations given to us, that we are of the opinion that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 1 above.

OTHER MATTERS AND RESTRICTION ON USE

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

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

Bimal Kumar Sipani
Partner

Membership Number: 088926
UDIN:21088926AAAAHU2347

Place: Noida (Delhi-NCR)
Dated: June 16, 2021

Corporate Governance Report

1 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

2 BOARD OF DIRECTORS

The Composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015), having an optimal combination of Executive Directors and Non-Executive Directors with varied professional backgrounds, representing a judicious mix of professionalism, knowledge and experience. As on March 31, 2021, the Company's Board comprised of Ten (10) directors, of which three are Executive Directors out of which two are Managing Director and one is Whole Time Director, Six (6) are Independent Directors and one (1) is Non-Executive Non Independent Director. None of the Non-Executive Director of the Company has any pecuniary relationship or transaction with the Company.

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

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

Director	Category	No. of Board Meeting held during the tenure of the Member	No. of Board Meetings attended	Attended last AGM	Number of Directorships in other Companies (\$)	No. of Committee positions held in other Companies @		No. of Shares held
						Chairman	Member	
Mr. Shreekant Somany#	P	5	5	Yes	2	-	3	1,00,000
Mr. Abhishek Somany	P	5	5	Yes	-	-	-	19,14,093*
Mrs. Anjana Somany	P	5	5	Yes	-	-	-	10,84,468
Mr. Salil Singhal	I	5	4	No	5	-	-	-
Mr. Ravinder Nath	I	5	5	Yes	2	1	1	-
Mr. Siddharath Bindra	I	5	5	No	-	-	1	2,000
Mr. Rameshwar Singh Thakur	I	5	5	Yes	1	-	-	-
Ms. Rumjhum Chatterjee	I	5	5	Yes	2	-	-	-
Mr. Vineet Agarwal	I	5	5	Yes	5	-	5	-
Mr. Ghanshyam Girdharibhai Trivedi	N	5	4	Yes	1	-	-	2,000
Mr. Tuljaram Maheshwari ##	N	-	-	-	-	-	-	-

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

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

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

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

#Mr. Shreekant Somany was reappointed as the Chairman and Managing Director of the Company for a period of 3 (Three) consecutive years from September 1, 2020 to August 31, 2023 in the 52nd Annual General Meeting of the Company held on August 18, 2020.

#Mr. Tuljaram Maheshwari resigned from the directorship of the Company w.e.f. June 9, 2020.

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

Key Board Qualification:

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

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

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

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

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

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

[^] Mr. Tuljaram Maheshwari resigned from the directorship of the Company w.e.f. June 9, 2020.

INTER-SE RELATIONSHIP OF DIRECTORS

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

BOARD FUNCTIONS

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

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

MEETING OF THE BOARD OF DIRECTORS

There were five (5) Board meetings held during the year 2020-21 i.e. on June 25, August 11, November 5 in 2020 and on February 4, March 17 in 2021. The meetings of the Board of Directors were held through video conferencing.

3. CODE OF CONDUCT

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

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

The CMD and CFO of the Company have jointly issued a certificate pursuant to provisions of Regulation 17(8) of the SEBI (Listing Regulations, 2015), certifying that the financial statements do not contain any materially untrue statement and those statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of this Annual Report.

5. COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Composition

As at March 31, 2021, the Audit Committee comprises of four members, with majority of Independent Directors, as members of the Committee meets its constitution requirements, in terms of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Regulations, 2015). The constitution of the Audit Committee is Mr. Rameshwar Singh Thakur, Chairman of the Committee and Mr. Salil Singhal, Mr. Vineet Agarwal and Mr. Ghanshyam Girdharbhai Trivedi are other members of the Audit Committee.

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

Terms of Reference

Brief description of the terms of reference are:-

1. Effective supervision of the financial reporting process, ensuring financial and accounting controls and compliance

with the policies of the Company,

2. Periodical interaction with the statutory and internal auditors to ascertain the quality and veracity of the Company's transactions,
3. Grant of Omnibus approval for transactions contemplated to be undertaken by the Company with related parties subject to the approval of shareholders of the Company, as may be required,
4. Review of adequacy and effectiveness of Internal Audit Function and the Internal Control System,
5. Overall direction on the risk management system,
6. Review of the annual and quarterly financial statements with management before submission to the Board,
7. Compliance with listing and other legal requirements relating to financial statements,
8. Review related party transactions,
9. Review the functioning of Vigil Mechanism, qualifications in the audit report, if any,

Invitees to the Audit Committee

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

Frequency of Meetings

During the year 2020-21, five Audit Committee meetings were held on June 25, August 11, November 5 in 2020 and on February 4, March 17 in 2021. The meetings of the Audit Committee were held through video conferencing.

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

The attendance of the Audit Committee Meetings is given below:

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

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

SHARE TRANSFER COMMITTEE

Your Company has a Share Transfer Committee comprising of Mr. Shreekant Somany (who chairs the meeting), Mr. Abhishek Somany and Mr. Siddharath Bindra. The Committee met 13 times during the year under review. The Board has delegated the power of Share Transfer to the Company's Registrar & Share Transfer Agents, who processes the transfers, in respect of physical and shares under Demat. During the year under review, no request for transposition (including transmission) were received.

STAKEHOLDER'S RELATIONSHIP COMMITTEE

The Company has a Stakeholder's Relationship Committee to oversee redressal of shareholders'/Investors' grievances relating to transmission(s), issue of duplicate share certificate(s) and all other matters concerning shareholders' complaints. Mr. Rameshwar Singh Thakur, Independent Director of the Company is the Chairman of the Committee and other members of the committee are Mr. Siddharath Bindra, Mr. Ghanshyam Girdharbhai Trivedi and Mr. Shreekant Somany. Mr. Ambrish Julka, General Manager (Legal) and Company Secretary of the Company is the Compliance

Officer. Total Four meetings of this Committee were held during the year 2020-21, i.e. on June 25, August 11, November 5 in 2020 and on February 4 in 2021. The meetings of the Stakeholders Relationship Committee were held through video conferencing.

During the year two complaints were received and resolved. There were no complaints of Shareholders pending as on March 31, 2021.

The attendance of the Stakeholders Relationship Committee is given below:

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

NOMINATION AND REMUNERATION COMMITTEE

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

During the year 2020-21, one Committee meeting was held i.e. on June 25 in 2020. The meeting of the Nomination and Remuneration Committee was held through video conferencing.

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

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

Terms of Reference

Terms of reference of the Nomination and Remuneration Committee are as per the guidelines set out in the SEBI (Listing Regulations, 2015), as and when applicable and Section 178 of the Companies Act, 2013, that inter-alia includes:

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

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

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

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS AND THE BOARD:

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

- a) Act objectively and constructively while exercising their duties;
- b) Exercise their responsibilities in a bonafide manner in the interest of the Company;
- c) Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- d) Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- e) Refrain from any action that would lead to loss of his independence;
- f) Inform the Board immediately when they lose their independence;
- g) Assist the Company in implementing the best corporate governance practices;
- h) Strive to attend all meetings of the Board of Directors;
- i) Strive to attend and participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- j) Strive to attend the general meetings of the Company;
- k) Keep themselves well informed about the Company and the external environment in which it operates;
- l) Do not unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- m) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;
- n) Abide by Company's Memorandum and Articles of Association, Company's Policies and procedures including code of conduct, insider trading guidelines etc.

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

Details of the Remuneration paid to Directors during the year 2020-21 are as follows:

Directors	Salary & Perquisites (₹) **	Commission for 2019-20 (₹)	Sitting Fees (₹)	Total (₹)
Mr. Shreekant Somany*	1,53,97,515	-	-	1,53,97,515
Mr. Abhishek Somany*	1,77,56,354	-	-	1,77,56,354
Mrs. Anjana Somany*	24,26,280	-	-	24,26,280
Mr. Salil Singhal	-	-	1,00,000	1,00,000
Mr. Ravinder Nath	-	-	90,000	90,000
Mr. Siddharath Bindra	-	-	1,20,000	1,20,000
Mr. G. G. Trivedi	-	-	1,10,000	1,10,000
Mr. Rameshwar Singh Thakur	-	-	1,25,000	1,25,000
Mrs. Rumjhum Chatterjee	-	-	80,000	80,000
Mr. Vineet Agarwal	-	-	1,05,000	1,05,000
Mr. Tuljaram Maheshwari [^]	-	-	-	-

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

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

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

Apart from sitting fees, the Non-Executive directors of the Company are entitled for commission @1% of net profits of the Company in terms of resolution passed by the Shareholders of the Company at their Annual General Meeting held on August 30, 2018 to Non-Executive Directors of the Company up to and for the Financial Year ended March 31, 2023. However, no commission has been paid to the Non-Executive Directors for the financial year 2019-20.

Mr. Tuljaram Maheshwari resigned from the directorship of the Company w.e.f. June 9, 2020.

During the period under review, Mr. Shreekant Somany, Chairman and managing director and Mr. Abhishek Somany managing director had forgone their remuneration for a period of six months i.e. from April 1, 2020 to September 30, 2020. The remuneration of both Mr. Shreekant Somany and Mr. Abhishek Somany for the remaining six months i.e. from October 1, 2020 to March 31, 2021.

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

During the year ended March 31, 2021, 2 (two) Committee meetings were held i.e. on June 25, 2020 and February 4, 2021, which were attended by the members through Video Conferencing as under:

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

COMPANY ADMINISTRATIVE COMMITTEE

The Company Administrative Committee was constituted by the Board for considering matters routine in nature and matters require to be resolve between two Board Meetings of the Company. Mr. Shreekant Somany, Chairman and Managing Director of the Company, is the Chairman of the Committee. Mr. Abhishek Somany, Managing Director, Mr. Salil Singhal and Mr. Siddharath Bindra, Non-Executive Independent Directors of the Company are other members of the Committee. During the year ended March 31, 2021, one Committee meeting was held on November 11, 2020 which was attended by the members as under:

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

6. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code for Independent Directors under Schedule IV to the Companies Act, 2013 and Regulation 25 (3) of the SEBI (Listing Regulations, 2015), a separate meeting of the Independent Directors of the Company was held on February 1, 2021 and attended by the Independent Directors except Mr. Rameshwar Singh Thakur to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

7. INDUCTION AND TRAINING OF INDEPENDENT DIRECTOR

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as the nature of industry in which the Company operates through induction programmes at the time of their appointment as Director. On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction programme giving brief description on Company's manufacturing, marketing, finance and other important aspects. The Company Secretary, briefs

the Director about their legal and regulatory responsibilities as a Director. The induction for Independent Directors include interactive sessions with Business and Functional heads. The details of familiarisation programmes for Independent Directors are uploaded on the website of the Company, i.e. www.somanyceramics.com at the weblink: https://www.somanyceramics.com/pub/media/investorrelation/2/_/2_familiarisatn_programme_20-21.pdf

8. EVALUATION OF THE BOARD'S PERFORMANCE

One of the key functions of the Board is to monitor and review the Board evaluation framework. Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Regulations, 2015), the Board has carried out evaluation of performance of Individual Directors and as well as that of its Committees, including Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of Board's functioning such as composition of Board & its Committees, experience and competencies, performance of specific duties obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors, including the Board as a whole, Chairman, who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholder's interest etc.

9. WHISTLE BLOWER POLICY/ VIGIL MECHANISM

With the rapid expansion of business in terms of volume, value and geography, various risks associated with the business have also increased considerably. One such risk identified is the risk of fraud & misconduct. The Audit Committee is committed to ensure fraud free work environment and to this end the said Committee has laid down a Whistle Blower Policy, duly approved by the Board, providing a platform to all the employees, vendors and customers to report any suspected fraud or error or confirmed incident of fraud /misconduct. The Board has adopted the Policy on Vigil Mechanism and uploaded the same on the Company's website i.e. <https://www.somanyceramics.com/> at the weblink: https://www.somanyceramics.com/pub/media/investorrelation/v/i/vigil_mechanism_whistle_blower_policy_revised_16-06-2021.pdf

It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

10. SUBSIDIARY COMPANIES

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

11. RELATED PARTY TRANSACTIONS

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

Omnibus approval granted by Audit Committee for transactions contemplated to be undertaken by the Company with related parties subject to approval of the shareholders of the Company, if required.

12. GENERAL BODY MEETINGS

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

Year	Date	Time	Annual General Meeting	Place of Meeting
2020-21	18.08.2020	12 Noon	52 nd Annual General Meeting	Deemed place of meeting was registered office at 2, Red, Cross Place, Kolkata- 700001 through Video Conferencing (“VC”) or Other Audio Visual Means (OAVM)
2019-20	19.08.2019	11:30 A.M.	51 th Annual General Meeting	Sripati Singhania Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata- 700020
2018-19	30.08.2018	11:00 A.M.	50 th Annual General Meeting	Sripati Singhania Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata- 700020

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

Date of Meeting held	AGM/EOGM	(v) Subject matter of the resolution
18.08.2020	AGM	<ul style="list-style-type: none"> • Authorise borrowings by way of Issuance of Non-Convertible Debentures/ Bonds/ Other Similar Instruments. • Re-appointment of Shri Shreekant Somany (DIN: 00021423) as the Chairman & Managing Director of the Company for a further period of 3 (Three) consecutive years, commencing from September 01, 2020 till August 31, 2023.
19.08.2019	AGM	<ul style="list-style-type: none"> • Re-appointment of Shri Salil Singhal (DIN: 00006629) as an Independent Director for his second term of five (5) consecutive years. • Re-appointment of Shri Ravinder Nath (DIN: 00062186) as an Independent Director for his second term of five (5) consecutive years. • Re-appointment of Shri Siddharath Bindra (DIN: 01680498) as an Independent Director for his second term of five (5) consecutive years. • Alteration in Article 148 of Articles of Association of the Company. • To approve continuation of payment of Remuneration to Shri Shreekant Somany (DIN: 00021423), Chairman and Managing Director, who is promoter, in excess of threshold limits as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. • To approve continuation of payment of Remuneration to Shri Abhishek Somany (DIN: 00021423), Chairman and Managing Director, who is promoter, in excess of threshold limits as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. • To approve continuation of payment of Remuneration to Smt. Anjana Somany (DIN: 00133542), Whole-time Director, who is promoter in excess of threshold limits as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018
30.08.2018	AGM	<ul style="list-style-type: none"> • Re-appointment of Smt. Anjana Somany (DIN: 00133542) as Key Managerial Personnel, designated as Whole-time Director for a further period of 3 (three) years, with effect from May 21, 2019 till May 20, 2022. • Remuneration by way of Commission to Non- Executive directors.

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

No Postal Ballot was conducted during the financial year 2020-21 and none of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing of a Special Resolution through Postal Ballot. Hence, the provisions relating to Postal Ballot are not required to be complied with.

14. DISCLOSURES

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

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

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

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

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

15. MEANS OF COMMUNICATION

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

<https://www.somanyceramics.com/investor-relation>

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

2, Red Cross Place, Kolkata – 700 001

Phone: 033-22487406/5913,

Email: corporateaffairs@somanyceramics.com

Plant locations

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

18. DATE AND VENUE OF ANNUAL GENERAL MEETING

The 53rd Annual General Meeting of the Company will be held on Wednesday, the September 15, 2021 at 12:00 Noon through Video Conferencing or Other Audio Visual Means.

19. FINANCIAL CALENDAR: APRIL 1 TO MARCH 31

Financial Reporting for 2021-2022 is as follows:

First Quarter	Second week of August, 2021
Second Quarter	Second week of November, 2021
Third Quarter	Third week of January, 2022
Fourth Quarter	Fourth week of May, 2022

20. DIVIDEND

During the year, the Company has declared interim dividend of ₹ 2.40 per equity shares of ₹ 2/- each for the year ended March 31, 2021.

The Board of Directors have declared payment of interim dividend of ₹ 2.40/- per equity share of ₹ 2/- as final dividend for the year ended March 31, 2021.

21. LISTING ON STOCK EXCHANGE

Shares of the Company are listed at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company has paid annual listing fees to both the Exchanges for the financial year 2021-22.

National Stock Exchange of India Limited (NSE)

“Exchange Plaza”,

Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051

Trading Symbol :- SOMANYCERA

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai – 400 001

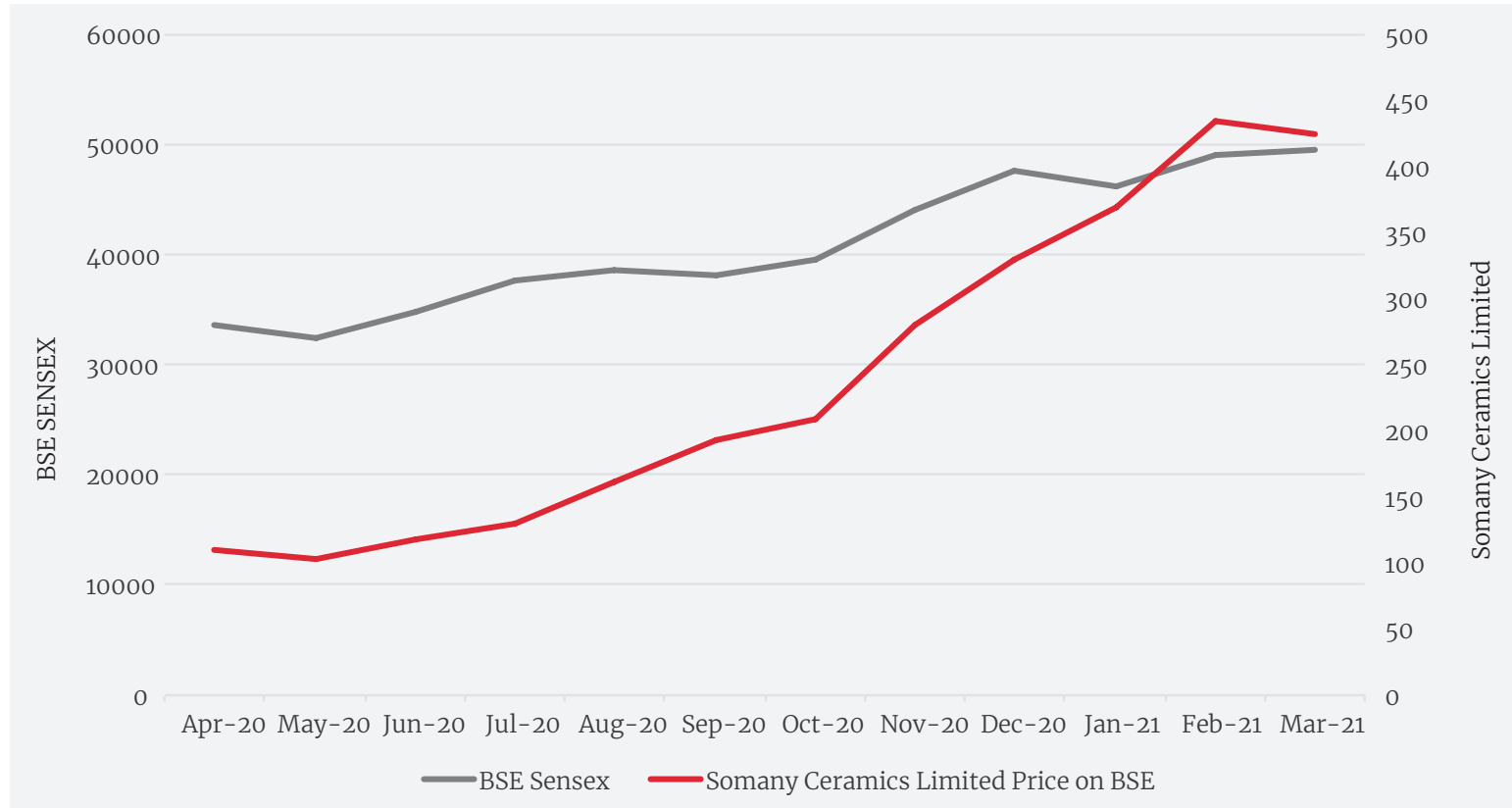
Scrip Code : 531548

Demat ISIN Number for NSDL and CDSL: INE 355A01028

No. of Equity Shares	National Stock Exchange of India Limited*			BSE Limited*		
	High (₹)	Low (₹)	No. of Shares Traded	High (₹)	Low (₹)	No. of Shares Traded
Apr-20	122.00	88.65	12,38,113	124.75	90.00	66,622
May-20	110.90	87.00	12,17,377	110.00	86.60	82,592
Jun-20	149.00	101.55	36,71,170	160.00	102.20	3,08,642
Jul-20	138.20	111.05	27,61,427	138.00	111.05	2,21,712
Aug-20	176.85	123.60	34,26,517	176.95	124.95	2,37,873
Sep-20	198.80	144.50	29,13,842	198.50	144.70	3,07,003
Oct-20	232.00	189.15	27,85,157	233.75	189.20	2,96,355
Nov-20	284.60	201.15	42,50,018	287.30	199.60	3,03,295
Dec-20	349.00	278.05	33,77,533	347.00	278.90	3,34,927
Jan-21	403.00	325.05	25,39,528	403.00	320.00	1,24,162
Feb-21	453.00	366.10	31,73,895	453.00	367.70	2,09,549
Mar-21	453.50	400.00	10,65,509	460.00	336.00	99,974

*Source: Official website of BSE and NSE

PERFORMANCE IN COMPARISON TO BROAD BASED INDICES
BSE SENSEX VS SOMANY CERAMICS LIMITED SHARE PRICE



22. REGISTRAR & SHARE TRANSFER AGENT

(Both for physical and demat segment) Maheshwari Datamatics Pvt. Ltd.

23, R. N. Mukherjee Road,
 5th Floor, Kolkata – 700 001
 Phone No. 033-2243 5809/2248 2248 E-mail: mdpldc@yahoo.com

23. SHARE TRANSFER SYSTEM

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

24. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2021

No. of Equity Shares	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1 to 500	14421	90.46	1047757	2.47
501 to 1000	719	4.51	565550	1.33
1001 to 2000	333	2.09	510606	1.20
2001 to 3000	107	0.67	272241	0.64
3001 to 4000	59	0.37	212500	0.50
4001 to 5000	61	0.38	283298	0.67
5001 to 10000	104	0.65	771159	1.82
10001 and Above	138	0.87	38716315	91.36
Total	15942	100	42379426	100.00

Categories of Shareholding as on March 31, 2021.

Category	Number of Shares	Percentage
Indian Promoters	2,32,10,875	54.77
Mutual Funds & UTI, Alternate Investment Funds	80,60,869	19.02
Banks, Financial Institutions, Insurance	4,31,991	1.02
Companies		
NBFCs Registered with RBI	-	-
Foreign Portfolio Investors	11,24,286	2.65
Foreign Portfolio Investors (Individual)	-	-
Foreign Institutional Investors	-	-
Corporate Bodies	14,26,283	3.37
Indian Public	77,69,268	18.33
NRIs/Foreign Companies	1,55,366	0.37
Investor Education and Protection Fund Authority	1,69,371	0.40
Trusts	9,000	0.02
Clearing Members	22,117	0.05
Total	4,23,79,426	100.00

25. DEMATERIALISATION OF SHARES

The Company's equity shares enjoy the DEMAT facilities with NSDL as well as CDSL. The shares held in dematerialised form in CDSL are 1760667 (4.15%) and in NSDL are 40346819 (95.21%) representing 4,21,07,486 (99.36%) Equity shares of the paid-up capital of the Company as on March 31, 2021. The total shares held in physical form are 2,71,940 (0.64%) of that date.

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

During the year 2020-21, there were no outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date, which would have an impact on the equity of the Company.

27. STOCK OPTIONS

The Company has not issued any stock option.

28. COMMODITY PRICE/FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

During the year 2020-21, there are no significant commodity price risk and foreign exchange risk. Further the regular monitoring mechanism is in place to take necessary steps to minimise foreign exchange risks.

29. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Mr. Pradeep Pincha of Pincha & Co., Company Secretaries, has issued a certificate dated May 11, 2021 as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/ Ministry of Corporate Affairs or such any other authority. This certificate is enclosed as Annexure – A.

30. CONTACT FOR CLARIFICATION ON FINANCIAL STATEMENTS**Individuals may contact**

Mr. Saikat Mukhopadhyay, Chief Financial Officer at:

F-36, Sector-6, Noida – 201301, Uttar Pradesh

Phone: 0120 - 4627900

Email: saikat.mukhopadhyay@somanyceramics.com

Shareholder's Enquiries: Individuals may contact

Mr. Shyamalendu Banerjee at:

2, Red Cross Place, Kolkata – 700 001

Phone : 033-22487406/ 5913

Email : sclinvestors@somanyceramics.com

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

31. CREDIT RATINGS

The Company has maintained the rating from CRISIL for Bank Loan during the year 2020-21 as under:-

Rating Agency	Rating	
CRISIL	Long-term Rating	AA-
	Short-term Rating	A1+

32. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS UNDER THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

During the year, the Company has complied with the mandatory requirements as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

With respect to the Compliance with the non-mandatory requirements pursuant to Regulation 27(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted the following non-mandatory requirements:

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

33. DETAILS PERTAINING TO UTILIZATION OF FUNDS

Out of ₹ 11,999.97 Lakhs raised through qualified institutions placement of equity shares in December, 2015, the Company has so far utilised ₹ 8770.66 Lakhs (including issue expenses of ₹ 307.34 Lakhs) for the purpose the funds were so raised and balance ₹ 3229.31 Lakhs has been temporarily invested mainly in the debt instruments/funds.

35. PARTICULARS IN RESPECT OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ENSUING 53RD ANNUAL GENERAL MEETING OF THE COMPANY, PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING REGULATIONS, 2015).

Mr. G. G. Trivedi

Aged about 74 years, is an Associate Member of ICMA and holds degree in M.Sc. and LL.B. He has over 51 years of experience which includes 33 years of his rich experience in Ceramics, Glass and Sanitary Ware Industry. He is a Member of many reputed organizations' like ACS, AIMA, Indian Ceramic Society and AIPMA and is associated with the several professional bodies contributing to the growth and development of Ceramic, Glass and Sanitary Ware Industry in India. He is playing advisory role as a member of Committee of CGCRI-Ahmedabad, Council Member of ICS and AIPMA. He has participated in several National and International Conferences and has presented research papers which have benefited the Industry at large. He is associated with the Company since 1987 and holding 2000 equity shares of the Company. The details of his directorship and membership in Companies are given below:

S. No.	Name of the Public Limited Company in which he is a Director	Chairman/ Director	Position held in		
			Audit Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee
1.	Somany Ceramics Limited	Director	Member	Member	Member

OTHER DISCLOSURES

The Company has paid a total fee of ₹ 21.45 Lakhs during the year under review to M/s. Singhi & Co., the Statutory Auditors of the Company. None of the subsidiary of the Company or other entities forming part of the same network availed services of the said Auditors during the year under review.

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

34. COMPLAINTS PERTAINING TO SEXUAL HARASSMENT

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

Mr. Abhishek Somany

Aged about 49 years, Mr. Abhishek Somany (DIN: 00021448), has done his Bachelor of Business Administration from Richmond University, 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 Companies are given below:

S. No.	Name of the Public Limited Company in which he is a Director	Chairman/ Director	Position held in			
			Audit Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee	Corporate Social Responsibility Committee
1.	Somany Ceramics Limited	Managing Director	-	-	-	Member
2.	Somany Bathware Limited	Director	-	-	-	-
3.	Indian Council of Ceramic Tiles and Sanitaryware	Director	-	-	-	-

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

Shreekant Somany
Chairman and Managing Director
DIN No.: 00021423

36. DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm and declare that, all the Directors and Senior Management Personnel of the Company have affirmed their compliances with the Code of Conduct of the Company, in so far as it is applicable to them, and there is no non-compliance thereof during the year ended March 31, 2021.

Shreekant Somany
Chairman and Managing Director
DIN: 00021423

Place : Noida
Date: June 16, 2021

37. CMD/CFO CERTIFICATION

The Board of Directors
Somany Ceramics Limited

We have reviewed the financial statements and the cash flow statement of Somany Ceramics Limited for the year ended March 31, 2021 and that to the best of our knowledge and belief, we state that;

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading:
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) there are, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) we have indicated to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in the internal control over financial reporting during the year.
 - (ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely

Shreekant Somany
Chairman and Managing Director
DIN: 00021423

Place: Noida
Date: June 16, 2021

Saikat Mukhopadhyaya
Chief Financial Officer

Annexure-A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations, representations furnished to us by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

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

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

For Pinchaa & Co.
Company Secretaries
Firm's U.C.N. P2016RJ051800
Firm's P.R. Certificate No. 832/2020

Dated: May 11, 2021
Place: Jaipur

Pradeep Pincha
Partner
M. No. FCS 5369
C. P. No.:4426
UDIN: F005369C000307176

Independent Auditor's Report

To
The Members,
Somany Ceramics Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Somany Ceramics Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements

in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.N.	Key Audit Matter	Auditor's Response
1.	<p>Valuation of trade and other financial assets</p> <p>We refer to Note no. 5, 6, 10, 13 and 14 Note no. 2.18 to the financial statements.</p> <p>As disclosed in Notes to the financial statements, the Company assesses periodically and at each financial year end, the expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics.</p> <p>The carrying amount of trade and other financial assets of the Company was ₹ 29,752.49 Lakhs as at March 31, 2021. We focused on this area because of its significance and the degree of judgement required to estimate the expected credit loss and determining the carrying amount of trade and other receivables as at the reporting date.</p>	<p>How our audit addressed the key audit matter:</p> <p>We obtained an understanding of the Company's credit policy for trade receivables, process of approvals and terms and conditions for granting inter corporate deposits (ICD) and business exigencies for other financial assets and evaluated the processes for identifying impairment indicators. We have reviewed and tested the ageing of trade and other financial assets and management's assessment on the credit worthiness of selected customers for trade receivables and recoverability of other receivables. We have obtained year-end balance confirmations for inter corporate deposits. We further discussed with the key management on the adequacy of the allowance for credit losses recorded by the Company and reviewed the supporting documents provided by management in relation to their assessment. We have also reviewed adequacy and appropriateness of allowance for credit losses based on available information. Based on our audit procedures performed, we found management's assessment of the recoverability of trade and other financial assets to be reasonable.</p>

S.N.	Key Audit Matter	Auditor's Response
2.	<p>Valuation of inventories</p> <p>We refer to Note 8 and 2.15 to the financial statements.</p> <p>As at March 31, 2021, the total carrying amount of inventories was ₹ 13,610.75 Lakhs. The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment.</p> <p>Reviews are made periodically by management on inventories for obsolescence and decline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing and turnover rate.</p>	<p>How our audit addressed the key audit matter:</p> <p>We have analyzed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventory obsolescence. We conducted a detailed discussion with the key management and considered their views on the adequacy of allowances for inventory obsolescence considering the current economic environment. We have also reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amounts of the inventories on a sample basis at the reporting date. We found management's assessment of the allowance for inventory obsolescence to be reasonable based on available evidence.</p>
3.	<p>Valuation of Current Investments</p> <p>As disclosed in Note 9 to the financial statements.</p> <p>As at March 31, 2021, the total carrying amount of current investments was ₹ 8,881.65 Lakhs (net of impairment of ₹1844.73 Lakhs). Current investments include quoted equity shares, debentures and mutual funds. Fair valuation of unquoted current investments involves significant estimation uncertainty, subjective assumptions and the application of significant judgment. This was an area of focus for our audit and the area where significant audit effort was directed.</p>	<p>How our audit addressed the key audit matter:</p> <p>Our audit procedures included updating our understanding of the processes employed by the Company for accounting and valuing their current investments. We have reviewed year end confirmation of depository participants. We have verified that the Company was the recorded owner of all investments. Our audit procedures over the valuation of the Investments included reviewing valuation of all Investments held as at March 31, 2021. Based on the audit procedures performed we are satisfied with existence and valuation of investment.</p>

Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed,

we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as amended. This responsibility

also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the

standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - (g) In our opinion, the remuneration paid /provided by the Company to its directors during the year is in accordance with the provisions of section 197 (16) of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 39 to the standalone financial statements;
 - ii. The Company did not have material foreseeable losses in long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani

Partner

Place: Noida (Delhi-NCR)

Date: June 16, 2021

Membership No. 088926

UDIN: 21088926AAAAHV9626

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

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

Name of Statute	Nature of Dues	Period to which it relates	Amount * (₹ in Lakhs)	Forum where dispute is pending
The Sales Tax Act / The Value Added Tax	Demand of Entry Tax	2012-13 to 2016-17	38.88	High Court of Kolkata
	Demand of Turnover Tax	2011-12 and 2012-13	59.46	Deputy Commissioner, Commercial Taxes, Ahmedabad
The Income Tax Act, 1961	Demand of Income Tax including penalties	Assessment Year 2014-15 to 2017-18	5.74	Commissioner of Income Tax (Appeal), Kolkata
The Central Excise Act, 1944 and the Finance Act, 1994	Demand for Cenvat credit	Financial Year 2016-17	19.94	CESTAT, Ahmedabad
		Financial Year 2016-17 and 2017-18	287.87	CESTAT, Chandigarh

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

- (viii) The Company has not defaulted in repayment of dues to banks. The Company did not have any borrowing from Financial Institution, Government and dues to debenture holders.
- (ix) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Further in our opinion and explanations given to us, term loans raised during the year were applied for the purpose for which loans were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers and employees has been noticed or reported during the year.
- (xi) The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given by the management and based on our examination of the records

of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details for the same have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani

Partner

Place: Noida (Delhi-NCR)
Date: June 16, 2021

Membership No. 088926
UDIN: 21088926AAAAHV9626

ANNEXURE B

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

We have audited the internal financial controls with reference to standalone financial statements of Somany Ceramics Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “guidance Note”) and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to as audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the

Guidance Note require that we comply with ethical requirements of and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial controls with reference to financial statements

A Company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal; financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company ;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with reference to financial statements

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

Opinion

In our opinion the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over the financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India, however same need to be further strengthened.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani

Partner

Place: Noida (Delhi-NCR)

Date: June 16, 2021

Membership No. 088926

UDIN: 21088926AAAAHV9626

Standalone Balance Sheet as at March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current Assets			
Property, Plant and Equipment	3 (i)	38,771.61	39,997.55
Capital work-in-progress	3 (ii)	415.24	472.26
Right of use Assets	3 (iii)	3,692.32	3,252.30
Other Intangible Assets	3 (iv)	222.47	415.11
Financial Assets			
(i) Investments	4	6,769.01	6,468.01
(ii) Loans	5	4,249.60	4,479.60
(iii) Other Financial Assets	6	1,004.98	948.50
Other Non-Current Assets	7	180.45	49.72
		55,305.68	56,083.05
Current Assets			
Inventories	8	13,610.75	19,195.34
Financial Assets			
(i) Investments	9	8,881.65	3,322.03
(ii) Trade Receivables	10	22,461.31	27,301.09
(iii) Cash and Cash Equivalents	11	13,606.27	794.83
(iv) Bank Balances other than (iii) above	12	110.36	48.49
(v) Loans	13	1,085.00	3,030.00
(vi) Other Financial Assets	14	755.34	1,267.54
Current Tax Assets (net)	15	1,095.09	1,010.40
Other Current Assets	16	2,929.54	3,205.05
		64,535.31	59,174.77
Total Assets		1,19,840.99	1,15,257.82
Equity and Liabilities			
Equity			
Equity Share Capital	17	847.59	847.59
Other Equity	18	62,233.84	57,527.17
		63,081.43	58,374.76
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	19	3,847.56	6,613.42
(ii) Lease Liability		3,227.90	2,461.55
(iii) Others Financial Liabilities	20	2,621.93	2,343.40
Provisions	21	682.82	605.91
Deferred Income	22	255.91	386.68
Deferred Tax Liabilities (Net)	23	2,415.99	2,878.99
Other Non-Current Liabilities	24	407.11	282.01
		13,459.22	15,571.96
Current Liabilities			
Financial Liabilities			
(i) Borrowings	25	15,371.29	18,416.67
(ii) Lease Liability		476.19	626.29
(iii) Trade Payables	26		
Outstanding dues of Micro Enterprises & Small Enterprises		1,371.28	553.66
Outstanding dues other than Micro Enterprises & Small Enterprises		16,085.42	12,954.47
(iv) Other Financial Liabilities	27	2,372.94	3,553.57
Other Current Liabilities	28	7,275.57	4,972.33
Provisions	29	116.09	234.11
Current Tax Liabilities (net)	30	231.56	-
		43,300.34	41,311.10
Total Equity and liabilities		1,19,840.99	1,15,257.82
Significant Accounting Policies and other Notes to Standalone Financial Statements 1 to 61.			
The accompanying Notes are an integral part of the Standalone Financial Statements.			

For and on behalf of Board of Directors

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Bimal Kumar Sipani

Partner

M. No. 088926

Place: Noida

Date: June 16, 2021

Shreekant Somany

Chairman & Managing Director

DIN: 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Abhishek Somany

Managing Director

DIN: 00021448

Ambrish Julka

GM - Legal and Company Secretary

Standalone Statement of Profit and Loss for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I. Income			
Revenue from Operations	31	1,63,014.93	1,59,525.06
Other Income	32	1,517.97	1,709.93
Total Revenue (I)		1,64,532.90	1,61,234.99
II. Expenses			
Cost of Materials Consumed	33	17,474.21	19,203.73
Purchases of Stock-in-Trade		83,640.30	83,876.18
Change in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	34	5,277.72	(2,726.61)
Employee Benefits Expense	35	16,385.93	17,317.51
Finance Costs	36	1,439.09	2,180.88
Depreciation and Amortization Expense	3	4,425.62	4,243.97
Other Expenses	37	26,396.36	34,404.05
Total Expenses (II)		1,55,039.23	1,58,499.71
III. Profit Before Exceptional Items and Tax (I-II)		9,493.67	2,735.28
IV. Exceptional Items (Net)	47	1,844.73	2,618.26
V. Profit before tax (III-IV)		7,648.94	117.02
VI. Tax Expense:			
(1) Current Tax	23		
- Current year		2,623.19	455.52
- For earlier years		(54.75)	122.21
(2) Deferred Tax Charge/(Credit)	23	(508.36)	(1,786.93)
VII. Profit for the year (V-VI)		5,588.86	1,326.22
VIII. Other Comprehensive Income (OCI)			
(1) Items that will not be reclassified to profit & loss		180.28	(149.23)
Income Tax relating to above	23	(45.37)	32.60
(2) Items that will be reclassified to profit & loss		-	-
IX. Total Comprehensive Income for the year (VII+VIII)		5,723.77	1,209.59
Earnings Per Equity Share (Per Share Value of ₹ 2 each)	38		
Basic (in ₹)		13.19	3.13
Diluted (in ₹)		13.19	3.13
Significant Accounting Policies and other Notes to Standalone Financial Statements 1 to 61.			
The accompanying Notes are an integral part of the Standalone Financial Statements.			

For and on behalf of Board of Directors

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Bimal Kumar Sipani

Partner

M. No. 088926

Place: Noida

Date: June 16, 2021

Shreekant Somany

Chairman & Managing Director

DIN: 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Abhishek Somany

Managing Director

DIN: 00021448

Ambrish Julka

GM - Legal and Company Secretary

Standalone Statement of Change in Equity for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

(a) Equity Share Capital & Reconciliation of number of shares outstanding at the beginning and end of the year :

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	4,23,79,426	847.59	4,23,79,426	847.59
Less: Share cancelled pursuant to Scheme of Amalgamation*	-	-	1,90,87,200	381.74
Add: Share allotted pursuant to Scheme of Amalgamation*	-	-	1,90,87,200	381.74
Balance at the end of the reporting period	4,23,79,426	847.59	4,23,79,426	847.59

(b) Other Equity

Particulars	Reserves and Surplus						Total
	Capital Reserve	Capital Redemption Reserve	Security Premium	General Reserve	Total Retained earnings		
					Retained earnings	Remeasurement of defined benefit plans	
Balance at March 31, 2019	(4,502.42)	78.43	16,991.77	6,036.96	39,789.42	(32.95)	58,361.21
Profit for the year	-	-	-	-	1,326.22	-	1,326.22
Other Comprehensive Income for the year	-	-	-	-	-	(116.63)	(116.63)
Total comprehensive income for the year	-	-	-	-	1,326.22	(116.63)	1,209.59
Dividend Paid	-	-	-	-	1,695.18	-	1,695.18
Dividend Distribution Tax	-	-	-	-	348.45	-	348.45
Balance at March 31, 2020	(4,502.42)	78.43	16,991.77	6,036.96	39,072.01	(149.58)	57,527.17
Profit for the year	-	-	-	-	5,588.86	-	5,588.86
Other Comprehensive Income for the year	-	-	-	-	-	134.91	134.91
Total comprehensive income for the year	-	-	-	-	5,588.86	134.91	5,723.77
Dividend Paid	-	-	-	-	1,017.11	-	1,017.11
Balance at March 31, 2021	(4,502.42)	78.43	16,991.77	6,036.96	43,643.76	(14.67)	62,233.83

* Refer note no 57.

Capital Redemption Reserve: It represents transfer from Retained Earnings on redemption of Preference Shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

Securities Premium: This Reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

General reserve: It represents appropriation of profits by the board of directors. The said reserve is available for payment of dividend to shareholders as per the provisions of the Companies Act, 2013.

Retained Earnings: Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

Capital Reserve : It Includes a.) difference between consideration and value of net assets, pursuant to the scheme of amalgamation [Refer note no. 57] of ₹ 4,716.59 Lakhs and can be utilised in accordance with the provisions of Companies Act, 2013., b.) Amalgamation Reserve of ₹ 191.27 Lakhs., c.) Reserve against maturity of special bearer bonds of RBI and Bonus Shares received by amalgamating Companies.

The accompanying Notes are an integral part of the Standalone Financial Statements.

For and on behalf of Board of Directors

As per our report of even date attached

For Singhi & Co.

Chartered Accountants
Firm Registration No. 302049E

Bimal Kumar Sipani

Partner
M. No. 088926
Place: Noida
Date: June 16, 2021

Shreekant Somany

Chairman & Managing Director
DIN: 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Abhishek Somany

Managing Director
DIN: 00021448

Ambrish Julka

GM - Legal and Company Secretary

Standalone Cash Flow Statement for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash Flow From Operating Activities		
Net Profit before Tax as per Statement of Profit & Loss	7,648.95	117.02
i. Adjusted For :		
Depreciation and Amortisation Expense	4,425.62	4,243.97
Finance Costs	1,439.08	2,180.88
Interest Income	(1,022.85)	(1,423.25)
(Profit)/Loss on Sales of Investments (Net)	(2.21)	(28.39)
Unrealised Foreign Exchange (Gain)/Loss (Net)	(3.96)	(12.22)
Net Movement on Fair Value of Current Investments	95.65	8.45
Provision for Credit Losses	470.05	804.20
Bad Debts	23.80	19.82
Deferred Income	(130.77)	-
Exceptional Item	1,844.73	2,618.26
Sundry Balances Written Off	60.25	107.38
Sundry Balance Written Back	(263.88)	(533.38)
(Profit)/Loss on sale of Property Plant and Equipment (Net)	(168.85)	128.96
Property, Plant and Equipments Discarded /Written off	278.72	112.85
Operating Profit Before Working Capital Changes	14,694.33	8,344.55
ii. Adjusted For :		
Trade and Other Receivables	5,380.10	13,264.42
Inventories	5,584.59	(2,989.72)
Trade and Other Payables	6,609.92	(13,892.81)
Cash Generated from Operation	32,268.94	4,726.44
Income Taxes Refund /(Paid)	(2,481.19)	(1,344.47)
Net Cash Flow from Operating Activities (A)	29,787.75	3,381.97
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and Intangible Assets	(3,053.78)	(5,439.28)
Sale of Property, Plant and Equipment	277.69	325.94
Investments in Subsidiaries	(301.00)	(100.00)
Purchase of Current Investments	(12,000.00)	(3,086.05)
Sale of Current Investments	4,502.21	4,845.26
Redemption of Preference Shares	-	117.81
Interest Received	1,022.85	1,114.74
Inter-Corporate Deposit Given	(200.00)	(960.81)
Inter-Corporate Deposit Received Back	2,375.00	3,370.00
Net Cash Outflow in Investing Activities (B)	(7,377.03)	187.61

Standalone Cash Flow Statement for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C. Cash Flow from Financing Activities		
Proceeds from Non Current Borrowings	567.54	187.87
Repayment of Non Current Borrowings	(4,194.47)	(3,322.99)
Current Borrowings (net)	654.61	3,870.19
Proceeds from Short Term Loans	6,000.00	28,172.26
Repayment of Short Term Loans	(9,700.00)	(29,272.33)
Payment of Lease Liability	(565.64)	(606.03)
Interest Paid	(1,344.21)	(2,160.61)
Dividend Paid (including dividend distribution tax)	(1,017.11)	(2,043.63)
Net Cash Inflow from Financing Activities (C)	(9,599.28)	(5,175.27)
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	12,811.44	(1,605.69)
Add: Opening Cash And Cash Equivalents	794.83	2,400.52
Closing		
Closing Cash and Cash Equivalents	13,606.27	794.83

Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS – 7 "Statement of Cash Flows".
- Cash & Cash Equivalents represents cash and bank balances (Refer note no.11).
- Figures for the previous year have been regrouped/rearranged wherever considered necessary.
- Additional Disclosure required under Ind AS 7, Refer note no. 53.
- The accompanying Notes are an integral part of the Standalone Financial Statements.

For and on behalf of Board of Directors

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Bimal Kumar Sipani

Partner

M. No. 088926

Place: Noida

Date: June 16, 2021

Shreekant Somany

Chairman & Managing Director

DIN: 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Abhishek Somany

Managing Director

DIN: 00021448

Ambrish Julka

GM - Legal and Company Secretary

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

1 Reporting Entity

Somany Ceramics Limited referred to as “the Company” is domiciled in India. The registered office of the Company is at 2, Red Cross Place, Kolkata – 700001 India. Equity shares of the Company are listed in India on the BSE Limited and the National Stock Exchange Limited.

The Company has own manufacturing plants in Kadi (Gujarat) and Kassar (Haryana), India. The Company is a manufacturer and trader of a complete decor solutions and its extensive range of products include Ceramic Wall and Floor Tiles, Polished Vitrified Tiles, Glazed Vitrified Tiles, Sanitaryware, Bath Fittings and allied products.

The financial statements of the Company for the year ended March 31, 2021 were authorised for issue in accordance with a resolution of the directors on June 16, 2021.

2 Significant Accounting Policies

Accounting Policies have been consistently applied except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

2.1 Basis of preparation

The standalone financial statements of Somany Ceramics Limited (“the Company”) comply in all material aspects with Indian Accounting Standards (“Ind AS”) as prescribed under section 133 of the Companies Act, 2013 (“the Act”), as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention on accrual basis except for the followings :

- Non-current borrowings are initially measured at amortised cost.
- Current investments are measured at fair value at each reporting date.

- Defined benefit plans and other long-term employee benefits are measured at fair value net off fair valuation of plan assets at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Functional and presentation currency

These financial statements are presented in Indian National Rupee (‘INR’), which is the Company’s functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

2.4 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company’s accounting

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- assessing the lease term (including anticipated renewals) and the applicable discount rate.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment, Intangible assets and Right of Use assets;

- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Assessment of recoverability of receivables and advances which requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, 'Income Taxes' and Ind AS 19, 'Employee Benefits', respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit & Loss in the period in which they are incurred.

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

Business Combination under Common Control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts.

2.6 Classification of Assets and Liabilities as Current and Non-Current

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash and Cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An liability is treated as current when it is:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

Deferred tax assets and liabilities are classified as non-

current.

The Company has ascertained the operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.7 Property, Plant and Equipment Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready for intended use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

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

Subsequent Measurement

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

Depreciation

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013 except for the following which has been determined on the basis of technical evaluation.

Particulars	Useful Life
Plant and Machinery	5 - 25 Years
Vehicles	5 Years
Dies & Punches	8 Years

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Individual assets costing below ₹ 5000 are fully depreciated in the year of purchase.

Leasehold improvements are depreciated over the lease period or estimated useful life of assets in line with schedule II of the Companies Act, 2013, whichever is lower.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Capital work-in-progress

Capital work-in-progress comprises of assets in the course of construction for production or/and supply of goods or services or administrative purposes, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use and commissioning has been completed.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit & Loss.

2.8 Intangible assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible

assets are amortised on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit & Loss when the asset is derecognised.

2.9 Non-current assets held for sale

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.10 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

2.11 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognised in the Statement of Profit & Loss in the period in which they are incurred.

2.12 Foreign currency transactions

Transactions in foreign currencies are recorded by the Company at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary

assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit & Loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

2.13 Employee benefits

Short term employee benefits

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Employee benefits in the form of Provident Fund are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

the estimated future cash outflows using market yields available on government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI and such re-measurement gain / loss are not reclassified to the Statement of Profit and Loss in the subsequent periods. They are included in retained earnings in the statement of changes in equity.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:”

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit & Loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other long-term employee benefits

The Company has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

2.14 Revenue Recognition

The Company recognises revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the Company has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. The Company considers shipping and handling activities as costs to fulfill the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue.

Revenue (other than sale of goods) is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc.

For incentives offered to customers, the Company makes estimates related to customer performance and sales volume to determine the total amounts earned and to be

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

recorded as deductions. The estimate is made in such a manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The actual amounts may differ from these estimates and are accounted for prospectively. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice.

Interest income are recognised on an accrual basis using the effective interest method.

Dividends are recognised at the time the right to receive payment is established.

2.15 Inventories

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of manufactured finished goods and stock in process is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of raw materials, traded goods and stores & spare parts are computed on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale. However, materials and other items held for use in the production of finished goods are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

2.16 Provisions, Contingent Liabilities and Contingent Assets

Based on the best estimate provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable (“more likely than not”) that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency

dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognised in the financial statements but disclosed, where an inflow of economic benefit is probable.

2.17 Measurement of fair value

a) Financial instruments

The estimated fair value of the Company’s financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b) Marketable and non-marketable equity securities

Fair value for quoted securities is based on quoted market prices as of the reporting date. Fair value for unquoted securities is calculated based on commonly accepted valuation techniques utilizing significant unobservable data. If fair value cannot be measured reliably unlisted shares are recognised at cost.

c) Derivatives

Fair value of financial derivatives is estimated as the present value of future cash flows, calculated by reference to quoted price curves and exchange rates as of the balance sheet date. Options are valued using appropriate option pricing models and credit spreads are applied where deemed to be significant.

2.18 Financial instruments

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value,

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the Statement of Profit & Loss. The losses arising from impairment are recognised in the Statement of Profit & Loss.

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

Financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Financial assets at fair value through Profit & Loss (FVTPL)

Financial assets, which does not meet the criteria for

categorization as at amortised cost or as FVOCI, are classified as at FVTPL.

In addition, the Company may elect to classify a Financial assets, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in FVOCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the Statement of Profit & Loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit & Loss.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through Profit & Loss include financial liabilities designated upon initial recognition as at fair value through Profit & Loss.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit & Loss.

Financial liabilities designated upon initial recognition at fair value through Profit & Loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to the Statement

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

of Profit & Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit & Loss.

Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

2.19 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit & Loss except to the extent that it relates to items recognised directly in Equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- a) Has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a

business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

2.20 Leases

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

Company as a lessor

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

Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, wherein, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognised as expense in the periods in which they are incurred.

Lease Liability

The lease payments that are not paid at the commencement date, are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value as that of right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or

rate, initially measured using the index or rate at the commencement date;

- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the company incurs an obligation for costs to

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term or useful life of the underlying asset. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are presented as a separate line in the Balance Sheet and details of assets are given ROU note under "Notes forming part of the Financial Statement".

The Company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

2.21 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity

of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.22 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Company.

2.23 Government Grants

Government grants are recognised at its fair value, where there is a reasonable assurance that such grants will be received and compliance with the conditions attached therewith have been met.

Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful lives of qualifying assets or other systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Grants received less amounts credited to the statement of profit and loss at the reporting date are included in the balance sheet as deferred income.

2.24 Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") has not notified new standard or amendments to the existing standards, which would have been applicable from April 1, 2021.

However, on March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 increasing scope of disclosures, which is applicable on the Company from April 1, 2021.

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

3. (i) Property, Plant and Equipment (2020-21)

Particulars	Gross Block					Depreciation					Net Block	
	March 31, 2020	Transfer to Right of Use Assets	Additions	Deletions/ Adjustment	March 31, 2021	March 31, 2020	Transfer to Right of Use Assets	For the year	Deletions/ Adjustment	March 31, 2021	March 31, 2020	March 31, 2021
Tangible Assets												
Freehold land	581.39	-	-	-	581.39	-	-	-	-	-	581.39	581.39
Buildings	9,753.27	-	391.42	4.62	10,140.07	1,371.78	-	412.37	0.62	1,783.53	8,381.49	8,356.54
Plant and equipments	31,258.62	-	1,332.91	415.32	32,176.21	4,637.88	-	1,652.47	186.38	6,103.97	26,620.74	26,072.24
Office equipments	1,497.36	-	90.01	35.75	1,551.62	818.08	-	276.19	28.87	1,065.40	679.28	486.22
Furniture and fixtures	4,269.03	-	163.64	279.67	4,153.00	1,640.66	-	772.57	234.73	2,178.50	2,628.37	1,974.50
Vehicles	2,018.21	-	673.38	372.27	2,319.32	911.93	-	376.14	269.47	1,018.60	1,106.28	1,300.72
Assets under Finance Lease												
Leasehold lands		-	-	-	-		-	-	-	-	-	-
Total	49,377.88	-	2,651.36	1,107.63	50,921.61	9,380.33	-	3,489.74	720.07	12,150.00	39,997.55	38,771.61

3. (ii) Capital Work in Progress (2020-21)

Capital work-in-progress as at March 31, 2021 is ₹ 415.24 Lakhs.

₹ 1,795.87 Lakhs is addition to Capital works in progress during the year ended March 31, 2021.

₹ 1,852.89 Lakhs has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2021.

3. (iii) Right of Use Assets (2020-21) (Refer note no. 55)

Particulars	Gross Block					Amortization					Net Block	
	March 31, 2020	Transfer From PPE as per IndAS 116	Additions	Deletions/ Adjustment	March 31, 2021	March 31, 2020	Transfer From PPE as per IndAS 116	For the year	Deletions/ Adjustment	March 31, 2021	March 31, 2020	March 31, 2021
Right of use Assets												
Leasehold lands	343.97	-	-	-	343.97	8.12	-	4.09	-	12.21	335.85	331.76
Buildings	3,693.87	-	1,181.90	-	4,875.77	777.42	-	737.79	-	1,515.21	2,916.45	3,360.56
Total	4,037.84	-	1,181.90	-	5,219.74	785.54	-	741.88	-	1,527.42	3,252.30	3,692.32

3. (iv) Other Intangible Assets (2020-21)

Particulars	Gross Block				Amortization				Net Block	
	March 31, 2020	Additions	Deletions/ Adjustment	March 31, 2021	March 31, 2020	For the year	Deletions/ Adjustment	March 31, 2021	March 31, 2020	March 31, 2021
Intangible Assets										
Computer Softwares	1,076.40	1.36	1.16	1,076.60	661.29	194.00	1.16	854.13	415.11	222.47
Total	1,076.40	1.36	1.16	1,076.60	661.29	194.00	1.16	854.13	415.11	222.47

Note:

1. Assets pledged and Hypothecated against borrowings: Refer note no. 19 & 25.

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

3. (i) Property, Plant and Equipment (2019-20)

Particulars	Gross Block					Depreciation					Net Block	
	March 31, 2019	Transfer to Right of Use Assets	Additions	Deletions/ Adjustment	March 31, 2020	March 31, 2019	Transfer to Right of Use Assets	For the year	Deletions/ Adjustment	March 31, 2020	March 31, 2019	March 31, 2020
Tangible Assets												
Freehold land	581.39	-	-	-	581.39	-	-	-	-	-	581.39	581.39
Buildings	7,524.63	-	2,233.61	4.97	9,753.27	1,000.35	-	372.67	1.24	1,371.78	6,524.28	8,381.49
Plant and equipments	28,332.72	-	3,308.65	382.75	31,258.62	3,256.90	-	1,474.68	93.70	4,637.88	25,075.82	26,620.74
Office equipments	1,280.22	-	232.75	15.61	1,497.36	538.21	-	290.38	10.51	818.08	742.01	679.28
Furniture and fixtures	3,972.77	-	328.37	32.11	4,269.03	922.40	-	736.86	18.60	1,640.66	3,050.37	2,628.37
Vehicles	2,237.67	-	268.03	487.49	2,018.21	753.54	-	389.53	231.14	911.93	1,484.13	1,106.28
Assets under Finance Lease												
Leasehold land	343.97	(343.97)	-	-	-	4.03	(4.03)	-	-	-	339.94	-
Total	44,273.37	(343.97)	6,371.41	922.93	49,377.88	6,475.43	(4.03)	3,264.12	355.19	9,380.33	37,797.94	39,997.55

3. (ii) Capital Work in Progress (2019-20)

“Capital work-in-progress as at March 31, 2020 is ₹ 472.26 Lakhs.

₹ 5,181.19 Lakhs is addition to Capital works in progress during the year ended March 31, 2020.

₹ 5,982.13 Lakhs has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2020.

3. (iii) Right of Use Assets (2019-20) (Refer note no. 55)

Particulars	Gross Block					Amortization					Net Block	
	March 31, 2019	Transfer From PPE as per IndAS 116	Additions	Deletions/ Adjustment	March 31, 2020	March 31, 2019	Transfer From PPE as per IndAS 116	For the year	Deletions/ Adjustment	March 31, 2020	March 31, 2019	March 31, 2020
Right of use Assets												
Leasehold lands	-	343.97	-	-	343.97	-	4.03	4.09	-	8.12	-	335.85
Buildings	-	-	3,693.87	-	3,693.87	-	-	777.42	-	777.42	-	2,916.45
Total	-	343.97	3,693.87	-	4,037.84	-	4.03	781.51	-	785.54	-	3,252.30

3. (iv) Other Intangible Assets (2019-20)

Particulars	Gross Block				Amortization				Net Block		
	March 31, 2019	Additions	Deletions/ Adjustment	March 31, 2020	March 31, 2019	For the year	Deletions/ Adjustment	March 31, 2020	March 31, 2019	March 31, 2020	
Intangible Assets											
Softwares		1,032.19	44.22	-	1,076.41	462.96	198.34	-	661.30	569.23	415.11
Total		1,032.19	44.22	-	1,076.41	462.96	198.34	-	661.30	569.23	415.11

Note:

1. Assets pledged and Hypothecated against borrowings: Refer note no. 19 & 25.

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

4. Non-current Investments

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in Equity Instruments (Unquoted, fully paid up)		
Subsidiary Companies (measured at cost)		
a) 1,85,000 Equity Shares (Previous Year - 1,85,000) of ₹10/- each of SR Continental Ltd.*	18.50	18.50
b) 5,00,000 Equity Shares (Previous Year - 5,00,000) of ₹10/- each of Somany Bathware Ltd. (Formerly known as Somany Global Ltd.)*	50.00	50.00
c) 53,04,000 Equity Shares (Previous year - 53,04,000) of ₹10/- each of Amora Tiles Pvt. Ltd.	530.40	530.40
d) 76,50,000 Equity Shares (Previous year - 76,50,000) of ₹10/- each of Somany Fine Vitrified Pvt. Ltd.	765.00	765.00
e) 35,10,000 Equity Shares (Previous year - 25,10,000) of ₹10/- each of Somany Excel Vitrified Pvt. Ltd.*	351.00	351.00
f) 50,49,000 Equity Shares (Previous year - 50,49,000) of ₹10/- each of Somany Sanitaryware Pvt. Ltd.	550.01	550.01
g) 45,00,000 Equity Shares (Previous year - 45,00,000) of ₹10/- each of Vintage Tiles Pvt. Ltd. \$	1,399.50	1,399.50
h) 10,000 Equity Shares of ₹10/- each of Somany Piasterelle Pvt. Ltd. (w.e.f February 18, 2021)*	1.00	-
i) 25,35,000 Equity Shares (Previous year - 25,35,000) of ₹10/- each of Vicon Ceramics Pvt. Ltd. \$	253.50	253.50
j) 1,20,00,000 Equity Shares (Previous year - 90,00,000) of ₹ 10/- each of Sudha Somany Ceramics Pvt. Ltd. (Formerly Sudha Ceramics Pvt. Ltd.)	1,200.00	900.00
k) 14,60,000 Equity Shares (Previous year - 14,60,000) of ₹10/- each of Acer Granito Pvt. Ltd. \$	511.00	511.00
l) 45,90,000 Equity Shares (Previous year - 45,90,000) of ₹10/- each of Amora Ceramics Pvt. Ltd.	459.00	459.00
m) 9,48,141 Equity Share (Previous Year - 9,48,141) of ₹ 10/- each of Somany Bath Fittings Pvt. Ltd. (Formerly known as Karanjot Enterprises Pvt. Ltd.)	680.10	680.10
	6,769.01	6,468.01
* including share held by the nominee share holders.		
\$ Considered as subsidiary under Ind-AS.		
a. Aggregate amount of investments are given below:		
Aggregate cost of unquoted investments	6,769.01	6,468.01
Aggregated amount of impairment in value of investment	-	-
b. None of the above investments are listed on any stock exchange in India or outside India.		

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

5. Loans

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposits		
- With Related Parties #	3,999.60	4,229.60
- With Others	250.00	250.00
	4,249.60	4,479.60

For details of loans to related parties, Refer note no. 44, Related Party Transactions.

6. Other Financial Assets

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good Unless Stated Otherwise)		
Bank Deposit (Pledged with Government Departments)	104.96	99.28
Bank Deposit held as Margin Money	160.13	151.76
Security Deposits		
- With Related Parties#	105.00	105.00
- With Others	634.89	592.46
	1,004.98	948.50

For details of security deposits to related parties, Refer note no. 44, Related Party Transactions.

7. Other Non-Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advance	108.56	2.61
Prepaid Expenses	13.35	13.20
Deposits with Government Departments	58.54	33.91
	180.45	49.72

8. Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
(Valued at Lower of Cost and Net Realisable Value)		
Raw Materials and Packing Materials	1,946.86	2,127.74
Work -in-Progress	516.85	729.87
Finished Goods	5,736.57	10,231.56
Stock in Trade	3,608.73	4,178.44
Stores and Spares	1,801.74	1,927.73
	13,610.75	19,195.34

a. Inventories are hypothecated to secure borrowings. Refer note no. 19 & 25.

b. During the year ₹ 80.27 Lakhs (Previous year ₹ 9.43 Lakhs) was credited to the Statement of Profit and Loss on account of reversal of write down of inventories.

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

9. Current Investments

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
A. Investments in Non Convertible Debentures (Quoted) (valued at fair value through profit & loss)				
a) 400 Units (Previous Year - 400 Units) 9.70% U P Power Corporation Ltd 04.07.2031 Bonds (NCD)		400.00		420.08
b) 83 Units (Previous Year - 83 Units) 9.00% SREI Infrastructure Finance Ltd. (NCD) 2027	792.65		812.54	
Less:- Provision for Impairment	(792.65)	-	-	812.54
c) 103 Units (Previous Year - 103 Units) 9.00 % Shriram Transport Finance Co. Ltd. 28.03.2028 (NCD)		844.60		1,023.16
d) 105,500 Units (Previous Year - 105,500 Units) 9.60% SREI Infrastructure Finance Ltd 25.05.2028 (NCD)	1,052.08		1,066.07	
Less:- Provision for Impairment	(1,052.08)	-	-	1,066.07
B. Investments in Mutual Fund (Un-Quoted) (valued at fair value through profit & loss)				
a) 1,33,342.724 Units (Previous Year - Nil) Axis Liquid Fund - Direct Growth		3,046.60		-
b) 3,84,46,240.336 Units (Previous Year - Nil) HDFC Ultra Short Term Fund- Direct Growth		4,590.25		-
C. Investments in Equity Instruments (Quoted) valued at fair value through Profit & Loss (fully Paid)				
550 Equity Shares (Previous Year - 550 Equity Shares) of ₹ 2/- each of Punjab National Bank Ltd.		0.20		0.18
		8,881.65		3,322.03
Aggregate Book Value of Quoted Investment		1,244.80		3,322.03
Aggregate Market Value of Quoted Investment		1,244.80		3,322.03
Aggregate Book Value of Un-Quoted Investment		7,636.85		-
Aggregate amount of impairment in value of investments		1,844.73		-

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

10. Trade Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
Considered Good	22,461.31	27,301.09
Considered Doubtful - Credit Impaired	1,754.82	1,348.00
	24,216.13	28,649.09
Less: Allowance for losses	1,754.82	1,348.00
	22,461.31	27,301.09

a. For details of receivable from related parties, Refer note no. 44, Related Party Transactions.

b. Trade Receivables are hypothecated to secure borrowings. Refer note no. 19 & 25.

11. Cash and Cash Equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with Banks		
- Current Accounts	398.67	784.30
Cash on Hand	5.06	10.53
Bank Deposit with maturity of 3 months or less	13,202.54	-
	13,606.27	794.83

12. Other Bank Balances

Particulars	As at March 31, 2021		As at March 31, 2020	
Bank Deposits (Pledged with Government Departments)	105.75		100.07	
Less: - Shown Under "Other Financial Assets"(More than 12 months)	104.96	0.79	99.28	0.79
Bank Deposits held as Margin Money	160.13		151.76	
Less: - Shown Under "Other Financial Assets"(More than 12 months)	160.13	-	151.76	-
Earmarked Balances with Banks				
Unclaimed Dividend Accounts		109.57		47.70
		110.36		48.49

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

13. Loans

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposits		
- To Others	1,085.00	3,030.00
	1,085.00	3,030.00

14. Other Financial Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Accrued Interest	624.10	1,167.10
Deposit with others	2.66	33.21
Others	128.58	67.23
	755.34	1,267.54

15. Current Tax Assets (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Income Tax / Tax Deducted at Source (Net of Income Tax Provision of ₹ 12,834.91 Lakhs) (previous year ₹ 16,017.41 Lakhs)	1,095.09	1,010.40
	1,095.09	1,010.40

16. Other Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses	208.90	244.59
Export Incentive Receivable	195.10	236.66
Properities held in Trust (Refer note no. 59)	426.81	-
Vendor Advances#	1,102.06	1,385.95
Other Receivables*	402.70	524.20
Indirect Tax Recoverable/adjustable	630.26	832.67
	2,965.83	3,224.07
*Less: Allowances for credit losses	36.29	19.02
	2,929.54	3,205.05

For details of advances to related parties, Refer note no. 44, Related Party Transactions.

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

17. Equity Share Capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
Equity Shares 13,65,00,000 (Previous Year - 13,65,00,000) of ₹ 2/- each	2,730.00	2,730.00
Issued, Subscribed and Paid up		
Equity Shares 4,23,79,426 (Previous Year - 4,23,79,426) of ₹ 2/- each fully paid up	847.59	847.59
	847.59	847.59

a. Terms and rights attached to equity shares

The Company has only one class of Equity Shares having face value of ₹ 2/- each and each shareholder is entitled to one vote per share. Each shareholder have the right in profit / surplus in proportion to amount paid up with respect to share holder. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, in proportionate to their individual shareholding in the paid up equity capital of the the company.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

Particulars	Number of Shares	Amount
Outstanding as on April 1, 2019	4,23,79,426	847.59
Less: - Share cancelled pursuant to Scheme of Amalgamation*	1,90,87,200	381.74
Add: - Share allotted pursuant to Scheme of Amalgamation*	1,90,87,200	381.74
Outstanding at the March 31, 2020	4,23,79,426	847.59
Equity Shares issued/bought back during the year	-	-
Outstanding at the March 31, 2021	4,23,79,426	847.59

c. List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)

Particulars	Number of Shares	Amount
i) Abhishek Somany - in capacity of Trustee Of Shakthi Family Trust	1,00,80,055	1,00,80,055
ii) Shrivatsa Somany - in capacity of Trustee Of Sanrakshith Family Trust	43,37,872	43,37,872
iii) Shreekant Somany - in capacity of Trustee Of Srijan Family Trust	43,37,872	43,37,872
iv) Franklin Build India Fund	36,50,000	37,50,000
v) L and T Mutual Fund Trustee Ltd. #	-	25,25,577
	2,24,05,799	2,50,31,376

* Refer note no. 57.

Holding as on March 31, 2021 is not more than 5%.

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

18. Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Reserve		
Balance at the beginning of the year	(4,502.42)	(4,502.42)
Addition/ (Transfer) during the year	-	-
Closing balance	(4,502.42)	(4,502.42)
Capital Redemption Reserve		
Balance at the beginning of the year	78.43	78.43
Addition/ (Transfer) during the year	-	-
Closing balance	78.43	78.43
Security Premium		
Balance at the beginning of the year	16,991.77	16,991.77
Addition/ (Transfer) during the year	-	-
Closing balance	16,991.77	16,991.77
General Reserve		
Balance at the beginning of the year	6,036.96	6,036.96
Addition/ (Transfer) during the year	-	-
Closing balance	6,036.96	6,036.96
Retained earnings		
Balance at the beginning of the year	39,072.02	39,789.42
Profit for the year	5,588.86	1,326.22
Amount available for appropriation	44,660.88	41,115.64
Less : Appropriation:		
Dividend Distributed	1,017.11	1,695.18
Dividend Distribution Tax	-	348.45
Closing Balance	43,643.77	39,072.01
Remeasurement of defined benefit plans		
Balance at the beginning of the year	(149.58)	(32.95)
Other Comprehensive Income for the year	134.91	(116.63)
Closing Balance	(14.67)	(149.58)
Total Retained Earnings	43,629.10	38,922.43
Total Other Equity	62,233.84	57,527.17

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

19. Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Term Loan		
- from Banks	5,103.98	8,827.86
Car Loan		
- From Banks	940.46	807.10
	6,044.44	9,634.96
Less: Current Maturities of Non Current Borrowings		
Term loan		
- from Banks	1,891.80	2,738.62
Car Loan		
- from Banks	305.08	282.92
	2,196.88	3,021.54
	3,847.56	6,613.42

Notes

- Rupee loan of Nil (Previous Year ₹ 2,603.49 Lakhs) from a Bank is secured by first pari passu charges by way of hypothecation of Plant & Machinery and other movable fixed assets of the company situated at Kassar and Kadi plants excluding those exclusively charged to other Banks and second pari passu charge over current assets of the company both present and future.
- Rupee loan of ₹ 5,103.98 Lakhs (Previous Year ₹ 6,224.37 Lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets, both present and future, of the Company at Kassar & Kadi excluding assets those exclusively charged to other Banks. Repayment of aforesaid loan is ₹ 1,891.80 Lakhs, ₹ 2,091.80 Lakhs and ₹ 1,120.38 Lakhs in FY 2021-22, FY 2022-23 and FY 2023-24 respectively.
- During the Previous year the Company has availed moratorium of three months towards repayment of one term loan of ₹ 418.24 Lakhs as per RBI Guideline.
- Car loan from Banks and others are secured by hypothecation of cars purchased there under and are repayable in monthly instalments over the period of loan.
- Rate of interest applicable to all term loans is linked with MCLR.

20. Other Financial Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Deposits	2,621.93	2,343.40
	2,621.93	2,343.40

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

21. Provisions (Non Current)

Particulars	As at March 31, 2021	As at March 31, 2020
Employees Benefits	682.82	605.91
	682.82	605.91

22. Deferred Income

Particulars	As at March 31, 2021	As at March 31, 2020
Grants related to Property, Plant and Equipment	255.91	386.68
	255.91	386.68

Grants relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under the scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. Such grants recognised are released to the statement of profit and loss based on fulfilment of related export obligations.

23. Deferred tax liabilities (net)**A. Movement in deferred tax balances**

Particulars	As at March 31, 2020	Recognised in P&L		Recognised in OCI	As at March 31, 2021
		Reversal due to change in tax rate	At current tax rate		
Deferred Tax Assets					
Accrued expenses	735.68	-	484.67	(45.37)	1,174.98
Others	43.13	-	43.33	-	86.46
Sub- Total (a)	778.81	-	528.00	(45.37)	1,261.44
Deferred Tax Liabilities					
Property, plant and equipment & Intangible assets	3,639.97	-	37.47	-	3,677.44
Others	17.83	-	(17.83)	-	-
Sub- Total (b)	3,657.80	-	19.64	-	3,677.44
Net Deferred Tax Liability (b)-(a)	2,878.99	-	(508.36)	45.37	2,416.00

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

23. Deferred tax liabilities (net) (contd.)

Particulars	As at March 31, 2019	Recognised in P&L		Recognised in OCI	As at March 31, 2020
		Reversal due to change in tax rate	At current tax rate		
Deferred Tax Assets					
Accrued expenses	455.94	(117.61)	364.75	32.60	735.68
Others	-		43.13	-	43.13
Sub- Total (a)	455.94	(117.61)	407.88	32.60	778.81
Deferred Tax Liabilities					
Property, plant and equipment & Intangible assets	5,136.63	(1,437.03)	(59.63)	-	3,639.97
Others	17.83	-	-	-	17.83
Sub- Total (b)	5,154.46	(1,437.03)	(59.63)	-	3,657.80
Net Deferred Tax Liability (b)-(a)	4,698.52	(1,319.42)	(467.51)	(32.60)	2,878.99

B. Amounts recognised in statement of profit & loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax expense		
Current year	2,623.19	455.52
Income tax for earlier year	(54.75)	122.21
	2,568.44	577.74
Deferred tax expense		
Origination and reversal of temporary differences	(508.36)	(1,786.93)
	(508.36)	(1,786.93)
Total Tax Expense	2,060.08	(1,209.20)

C. Amounts recognised in Other Comprehensive Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Deferred Tax Charge/(Credit)		
Remeasurements of defined benefit obligation	(45.37)	32.60

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

23. Deferred tax liabilities (net) (contd.)**D. Reconciliation of effective tax expense**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rate	Amount	Rate	Amount
Accounting profit before tax		7,648.94		117.02
Tax using the Company's domestic tax rate	25.17%	1,925.09	25.17%	29.45
Tax effect of:				
Non-deductible expenses		44.78		51.71
Changes in estimates related to prior years		(54.75)		122.21
Lower tax rate on (Gain)/Loss on sale of investment		47.53		-
Impact of opening deferred tax assets/liabilities due to change in tax rate		-		(1,319.42)
Others		97.43		(93.15)
		2,060.08		(1,209.20)

Note: The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961. Accordingly, the Company has recognised provision for Income Tax for the year ended March 31, 2020 and remeasured its deferred tax assets and liabilities, basis the rate prescribed in the said section. The full impact of this change has been recognised during the previous year.

24. Other Non-Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	458.25	401.18
Less: Current Maturities	51.14	119.17
	407.11	282.01

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

25. Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Loans:		
Working Capital Facilities from Banks*		
-Working Capital Demand Loan	-	1,692.62
- Cash Credit	20.33	3,022.99
Unsecured Loans:		
- From a Bank (Repayable on demand)	-	3,700.00
- Discounting of Bills Payable	15,350.96	10,001.06
	15,371.29	18,416.67

*Working Capital Facilities from Banks are secured by:

- First charge by way of hypothecation of current assets including stocks of raw materials, finished goods and inventory work in progress, stores & spares and book debts and ranking pari-passu; and
- Second and subservient charge by way of hypothecation of all movable fixed assets & ranking pari-passu, excluding assets exclusively charged.

26. Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding dues of Micro Enterprises and Small Enterprises*	1,371.28	553.66
Outstanding dues other than Micro Enterprises and Small Enterprises#	16,085.42	12,954.47
	17,456.70	13,508.13

* For MSME disclosure, Refer note no. 51.

For details of payables to related parties, Refer note no. 44, Related Party Transactions.

27. Other Financial Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current Maturities of Non Current Borrowings	2,196.88	3,021.54
Interest Accrued	0.67	1.84
Capital Creditors	16.69	368.80
Unclaimed Dividends	45.78	47.70
Others	112.92	113.69
	2,372.94	3,553.57

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

28. Other Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Dues	1,457.47	375.41
Security Deposits - Current maturities of Other Non Current Liabilities	51.14	119.17
Advance from Customers	1,304.82	745.23
Sales Incentive	1,611.74	1,861.59
Liability under Defalcation Suit (Refer note no. 59)	414.93	-
Accruals related to employees and others #	2,435.47	1,870.93
	7,275.57	4,972.33

For details of payables to related parties, Refer note no. 44, Related Party Transactions.

29. Provisions (Current)

Particulars	As at March 31, 2021	As at March 31, 2020
Employees Benefits	116.09	234.11
	116.09	234.11

30. Current Tax Liabilities (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Income Tax (Net of Advance tax of ₹ 2,451.25 Lakhs)	231.56	-
	231.56	-

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

31. Revenue from Operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sales of Goods	1,62,209.51	1,58,270.24
Less: Capitalised/ Transferred to CWIP	-	25.31
	1,62,209.51	1,58,244.93
Other operating revenue		
Scrap Sales	203.81	214.06
Sundry Balance Written Back	263.88	533.38
Insurance Claim Received	187.73	172.69
Income From Services	150.00	360.00
	805.42	1,280.13
	1,63,014.93	1,59,525.06
a) Unsatisfied performance obligation (contract liabilities) Refer note no.28.		
b) Reconciliation of contract price vis a vis revenue recognised in the statement of profit and loss is as follows:		
Contract Price		
(i) Sales of goods	1,67,551.08	1,62,514.32
(ii) Sales of services	150.00	360.00
(iii) Other operating revenue	655.42	920.13
Adjustments:		
Discount/rebate/ incentives	(5,341.57)	(4,269.39)
Revenue recognised in statement of profit and loss	1,63,014.93	1,59,525.06
c) The above revenues have been recognised at point of time.		
d) For contract assets and balances Refer note no. 10.		

32. Other Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income	1,022.85	1,423.25
Other non-operating revenue:		
Profit on Sale of Property, Plant and Equipment (net)	168.85	-
Profit on Sale of Current Investments measured at FVTPL	2.21	28.39
Net Gain on Foreign Currency Translations and Transactions	55.21	101.99
Miscellaneous Income	268.85	156.30
	1,517.97	1,709.93

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

33. Cost of Materials Consumed

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw Material Consumed	14,264.85	15,910.50
Packing Material Consumed	3,209.36	3,434.52
	17,474.21	19,345.02
Less: Capitalised/ Transferred to CWIP	-	141.29
	17,474.21	19,203.73

34. Change in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Closing Stock		
Finished Goods	5,736.57	10,231.56
Stock-in-Trade	3,608.73	4,178.44
Total Finished Goods	9,345.30	14,410.00
Work-in-Progress	516.85	729.87
	9,862.15	15,139.87
Less: Opening Stock		
Finished Goods*	10,231.56	8,119.00
Stock-in-Trade	4,178.44	3,668.35
Total Finished Goods	14,410.00	11,787.35
Work-in-Progress	729.87	625.91
	15,139.87	12,413.26
(Increase)/ Decrease in Stock	5,277.72	(2,726.61)
	5,277.72	(2,726.61)

* Previous year figures includes ₹263.78 Lakhs transfer on commissioning of New product line on January 8, 2020.

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

35. Employee Benefit Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salary, Wages, Bonus etc.	15,118.69	16,014.58
Contribution towards Provident Fund and Gratuity Fund	713.19	743.87
Workmen & Staff Welfare	554.05	583.16
	16,385.93	17,341.61
Less: Capitalised/ Transferred to CWIP	-	24.10
	16,385.93	17,317.51

36. Finance Costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest	1,085.64	1,938.24
Interest expense on lease liabilities	277.20	271.49
Other Borrowing Costs	76.25	76.92
	1,439.09	2,286.65
Less: Capitalised/ Transferred to CWIP	-	105.77
	1,439.09	2,180.88

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

37. Other Expenses

Particulars	For the year ended		For the year ended	
	March 31, 2021		March 31, 2020	
Stores and Spare Parts Consumed		2,446.71		2,265.18
Power & Fuel		12,623.73		16,286.54
Repairs and Maintenance:				
Buildings		107.64		102.37
Plant & Machinery		291.69		339.86
Others		106.24		143.17
Rent		78.27		155.99
Rates & Taxes		105.73		228.28
Insurance		725.61		495.08
Travelling and Conveyance		1,100.54		1,911.07
Freight Outward and Handling Charges		2,839.11		3,122.49
Advertisement and Sales Promotion		2,537.03		5,163.85
Commission to Agents		224.25		297.05
CSR Expenses (Refer note no. 56)		117.21		201.16
Provision for Credit Losses		470.05		804.20
Bad Debts	70.91		29.94	
Less: Provision for Credit Losses	47.11	23.80	10.13	19.82
Sundry Balances Written Off	72.83		107.38	
Less: Provision for Credit Losses	12.58	60.25	-	107.38
Loss on Sale of Property, Plant and Equipment (net)		-		128.96
Property, Plant and Equipment Discarded /Written off		278.72		112.85
Net Loss on Fair Value of Current Investments		95.65		8.45
Other Expenses*		2,164.13		2,662.04
		26,396.36		34,555.79
Less: Capitalised/ Transferred to CWIP		-		151.74
		26,396.36		34,404.05

* For Payment to Statutory Auditor, Refer note no. 46.

38. Earning per share

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Profit for the year	5,588.86	1,326.22
Weighted average number of equity shares of ₹ 2/- each	4,23,79,426	4,23,79,426
EPS - Basic and Diluted (Per share in ₹)	13.19	3.13

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

39. Contingent liabilities, contingent assets and commitments as identified by the Company

A. Contingent liabilities (not provided for) in respect of:

Particulars	As at March 31, 2021	As at March 31, 2020
1. Claim and other demands against the Company not acknowledged as debts.	226.39	173.94
2. Sales Tax demands against which the Company has preferred appeals.	59.46	239.93
3. Excise duty (excluding interest and penalty), service tax demands and show-cause notices issued against which the Company/Department has preferred appeals/filed replies.	333.36	-
4. Income tax demand disputed by the Company which excludes penalty, if any, as same can not be measured at this stage	26.57	26.57
5. a) Local Area Development Tax imposed by the State of Haryana disputed by the Company.	810.78	810.78
b) Entry Tax matter pending before Hon'ble High Court of Calcutta.	38.88	38.88
6. Demand from ESIC disputed by the Company.	15.41	15.41

Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/ decisions pending with various forums/ authorities. However, the Company has reviewed all its pending litigation and proceeding and has adequately provided for where provision required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceeding to have a materially adverse effect on its financial position. The Company does not expects any payment in respect of the above contingent liabilities.

B. Others

In light of judgment of Honorable Supreme Court dated February 28, 2019 on the definition of “Basic Wages” under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Company’s evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence, it is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

C. Commitments

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Estimated amount of Contracts remaining to be executed on Capital Account not provided for [Net of Advances]	221.24	50.69

(ii) The Company, in terms of the Share Subscription cum Shareholders Agreements with subsidiary companies, may contribute funds (loan / equity) in the proportion of its shareholding for the purpose of meeting repayment obligation to banks, financial institutions or other lenders, any statutory liability, liabilities towards fuel suppliers or such other similar liabilities, fund requirement for expansion/ diversification, etc. The Company has committed to a bank, for the same, in respect of one of the subsidiary. The Company shall not withdraw the funds so infused, if any, till the money remain due to bank.

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

40. Loans and Advances pursuant to Regulation 34(3) and 53(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:

Particulars	Outstanding as at March 31, 2021	Maximum Amount Outstanding during the year ended March 31, 2021	Outstanding as at March 31, 2020	Maximum Amount Outstanding during the year ended March 31, 2020
Inter Corporate Deposits				
Amora Ceramics Pvt. Ltd	260.10	260.10	260.10	260.10
Sudha Somany Ceramics Pvt. Ltd. (formerly Sudha Ceramics Pvt. Ltd.)	1,257.00	1,257.00	1,257.00	1,457.00
Somany Sanitaryware Pvt. Ltd.	930.00	980.00	940.00	940.00
Acer Granito Pvt. Ltd.	330.00	550.00	550.00	550.00
Vintage Tiles Pvt. Ltd.	526.00	526.00	526.00	526.00
Somany Fine Vitrified Pvt. Ltd.	357.00	357.00	357.00	357.00
Vicon Ceramic Pvt. Ltd.	339.50	339.50	339.50	539.50
Somany Excel Vitrified Pvt. Ltd.	-	-	-	100.00
Security Deposit Given				
Sudha Somany Ceramics Pvt. Ltd. (formerly Sudha Ceramics Pvt. Ltd.)	105.00	105.00	105.00	105.00

41. Foreign exchange exposures outstanding at the year-end:

Particulars		March 31, 2021		March 31, 2020	
		Amount (Foreign Currency in Lakhs)	Amount (Equivalent ₹ in Lakhs)	Amount (Foreign Currency in Lakhs)	Amount (Equivalent ₹ in Lakhs)
Open Exposures					
Receivables	USD	5.22	382.03	6.62	
Receivables	CNY	0.01	0.04	0.01	0.04
Receivables	AUD	0.26	14.13	-	-
Payables	USD	0.85	62.75	1.06	80.23
Payables	CNY	0.14	1.61	0.32	3.30
Payables	EURO	0.26	22.92	2.81	235.67

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

42. Details of Investment made, Loan and Guarantee given covered under section 186(4) of Companies Act, 2013

a) Loan given for business purposes

Particulars	Terms of repayments	For the year ended		Outstanding as on	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Sudha Somany Ceramics Pvt. Ltd. (formerly Sudha Ceramics Pvt. Ltd.)	After one year	-	400.00	1,257.00	1,257.00
Amora Ceramics Pvt. Ltd.	After one year	-	-	260.10	260.10
Acer Granito Pvt. Ltd.	After one year	-	250.00	330.00	550.00
Vintage Tiles Pvt. Ltd.	After one year	-	-	526.00	526.00
Somany Sanitaryware Pvt. Ltd.	After one year	100.00	440.00	930.00	940.00
Somany Fine Vitrified Pvt. Ltd.	After one year	-	117.81	357.00	357.00
Vicon Ceramics Pvt. Ltd.	After one year	-	339.50	339.50	339.50
Sungloss Ceramic Industries	After one year	-	-	250.00	250.00
Commander Vitrified Pvt. Ltd.	With in One Year	-	-	-	345.00
Zealous Financial Services Pvt. Ltd.	With in One Year	-	-	1,085.00	1,085.00
Salix Ceramic Pvt. Ltd.	With in One Year	100.00	-	-	-
JSTI Investment Ltd.	With in One Year	-	-	-	295.00
AM Mobile Telecom Pvt. Ltd.	With in One Year	-	-	-	805.00
AM Professional Services Pvt. Ltd.	With in One Year	-	-	-	300.00
Devang Consultancy Services Pvt. Ltd.	With in One Year	-	-	-	200.00

The above loans carries interest rate in the range of 9.50% to 12.00% (Previous Year 9.50% to 12.00%)

- b) Details of investments made is given in Note No. 4 and 9.
c) Details of gurantee and security given in Note No. 39(C) (ii).

43. Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Contribution to Provident Funds	550.24	592.96

Above amounts have been included in Contributions to Provident and Gratuity Fund (Refer note no. 35) of the Statement of Profit and Loss.

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

43. Employee benefits (contd.)**(ii) Defined Benefit Plan:**

The Company made provision for gratuity as per the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/ termination is employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the company.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, was measured using the Projected Unit Credit Method.

A. Movement in net defined benefit (asset)/liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset)/ liability and its components:

Particulars	March 31, 2021			March 31, 2020		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Opening Balance	1,666.15	1,565.81	100.34	1,490.46	1,511.87	(21.41)
Included in profit & loss						
Current service cost	156.13	-	156.13	152.55	-	152.55
Interest cost / (income)	113.30	(106.48)	6.82	114.17	(115.81)	(1.64)
Past Service Cost including curtailment Gains/(Losses)	-	-	-	-	-	-
	269.43	(106.48)	162.95	266.72	(115.81)	150.91
Included in OCI						
Remeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- demographic assumptions	-	-	-	(1.00)	-	(1.00)
- financial assumptions	-	-	-	114.81	-	114.81
- experience adjustment	(4.44)	-	(4.44)	(26.45)	-	(26.45)
- on plan assets	-	(175.84)	(175.84)	-	61.87	61.87
	(4.44)	(175.84)	(180.28)	87.36	61.87	149.23
Other						
Contributions paid by the employer	-	-	-	-	-	-
Benefits paid	(165.21)	-	(165.21)	(178.39)	-	(178.39)
	(165.21)	-	(165.21)	(178.39)	-	(178.39)
Closing Balance	1,765.93	1,848.13	(82.20)	1,666.15	1,565.81	100.34

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

43. Employee benefits (contd.)

B. Plan assets

Particulars	March 31, 2021	March 31, 2020
Fund managed by insurer	100%	100%
	100%	100%

Above amounts have been included in Contributions to Provident and Gratuity Fund (note no. 35) of the Statement of Profit and Loss.

In the absence of detailed information regarding plan assets which is funded with Insurance Company, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.80%	6.80%
Expected rate of future salary increase	5.00%	5.00%
Mortality	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The company expects to pay ₹ 165.16 Lakhs (Previous Year ₹ 178.37 Lakhs) in contribution to its defined benefit plans in the next year.

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(73.82)	79.48	(65.70)	50.90
Expected rate of future salary increase (0.5% movement)	76.96	(72.62)	49.17	(65.05)

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

E. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

A) Salary Increases - Higher than expected increase in salary will increase the defined benefit obligation.

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

- B) Investment Risk – Assets / liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability / Assets.
- C) Discount Rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the employee benefit of a short career employee typically costs less per year as compared to a long service employee.

44. Related parties as identified by the Company**A. Related parties and their relationships****i Key Managerial Personnel (KMP) and their relatives**

Name	Relationship
Mr. Shreekant Somany [^]	Chairman & Managing Director
Mr. Abhishek Somany [^]	Managing Director (Son of Chairman & Managing Director)
Mrs. Anjana Somany [^]	Whole time Director (Wife of Chairman & Managing Director)
Mr. T.R. Maheshwari [^]	CEO upto April 16, 2019
Mr. Saikat Mukhopadhyay [^]	Chief Financial Office (CFO)
Mr. Ambrish Julka [^]	GM (Legal) & Company Secretary
Mrs. Minal Somany	Wife of Managing Director
Mr. Shrivatsa Somany	Son of Chairman & Managing Director (Related party w.e.f. January 18, 2021)
Mr. G.G. Trivedi #	Non- Executive Director
Mr. T.R. Maheshwari #	Additional Director from May 1, 2019 to August 18, 2019 and Non-Executive Director w.e.f. August 19, 2019 till June 9, 2020
Mr. Siddarath Bindra*	Non - Executive Director
Mr. Ravindra Nath*	Non - Executive Director
Mr. Salil Singhal*	Non - Executive Director
Mr. Rameshwar Singh Thakur*	Non - Executive Director
Mrs. Rumjhum Chatterjee*	Non - Executive Director
Mr. Vineet Agarwal*	Additional Director from May 1, 2019 to August 18, 2019 and Non - Executive Director w.e.f. August 19, 2019

[^] KMP under the Companies Act, 2013

Non Independent Directors

* Independent Directors

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

ii. Subsidiary Company

SR Continental Ltd.

Somany Bathware Ltd. (Formerly known as Somany Global Ltd.)

Amora Tiles Pvt. Ltd.

Somany Fine Vitrified Pvt. Ltd.

Somany Sanitaryware Pvt. Ltd.

Somany Excel Vitrified Pvt. Ltd.

Vintage Tiles Pvt. Ltd.

Somany Piastrelle Pvt. Ltd. (w.e.f February 18, 2021)

Vicon Ceramic Pvt. Ltd.

Acer Granito Pvt. Ltd.

Sudha Somany Ceramics Pvt. Ltd. (Formerly Sudha Ceramics Pvt. Ltd.)

Amora Ceramics Pvt. Ltd.

Somany Bath Fittings Pvt. Ltd. (Formerly known as Karanjot Enterprises Pvt. Ltd.)

iii. Enterprise over which Company exercise significant influence and with whom transactions have taken place during the year:

H. L. Somany Foundation

iv. Enterprise over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year

Schablona India Ltd.

v. Employees Trusts

Somany Provident Fund Institution

SPL Employees Gratuity Fund

vi. Other related parties with which Company has transactions:

Name	
Trans India Ceramics Pvt. Ltd.	Private company in which director is a director
Vidres India Ceramics Pvt. Ltd.	Private company in which director is a director
Ishiv India Solutions Pvt. Ltd.	Private company in which director's relative is a director
Biba Apparels Pvt. Ltd.	Private company in which director is a director
TCI-Concor Multimodal Solutions Pvt. Ltd.	Private company in which director is a director
Transport Corporation of India Ltd.	Public company in which director is a director and holds more than 2% shares alongwith relatives
TCI Express Ltd.	Public company in which director is a director and holds more than 2% shares alongwith relatives

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

B. Transactions with the above in the ordinary course of business**a) Payments to Key Managerial Personnel and their relatives**

Nature of Transactions	For the year ended	
	March 31, 2021	March 31, 2020
Mr. Shreekant Somany		
- Remuneration	153.98	299.60
Outstanding at the year-end:		
- Remuneration Payable	3.75	3.66
Mr. Abhishek Somany		
- Remuneration	177.56	332.70
- Commission	200.00	-
- Rent Paid	7.81	9.84
Outstanding at the year-end:		
- Remuneration Payable	-	9.32
- Commission Payable	200.00	-
Mrs. Anjana Somany		
- Remuneration	24.26	26.88
- Rent Paid	2.65	3.36
Outstanding at the year-end:		
- Remuneration Payable	-	0.26
Mrs. Minal Somany		
- Remuneration	28.36	27.15
- Rent Paid	11.52	14.56
Outstanding at the year-end:		
- Salary Payable	1.14	1.31
Mr. Shrivatsa Somany		
- Remuneration	1.51	-
Outstanding at the year-end:		
- Salary Payable	1.30	-
Mr. T.R. Maheshwari		
- Remuneration	-	54.67
Mr. Saikat Mukhopadhyay		
- Remuneration	118.46	122.27
- Sale of goods	0.13	-
Outstanding at the year-end:		
- Salary Payable	3.87	2.19

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

Nature of Transactions	For the year ended	
	March 31, 2021	March 31, 2020
Mr. Ambrish Julka		
- Remuneration	28.98	31.03
Outstanding at the year-end:		
- Salary Payable	1.09	2.41
Non- Executive/Independent Directors		
Mr. G.G. Trivedi		
- Consultancy Fees	-	34.99
- Sitting Fees	1.10	1.35
Mr. T.R. Maheshwari		
- Consultancy Fees	-	44.86
- Sitting Fees	-	0.90
- Reimbursement of Expenses	-	0.05
Mr. Siddharath Bindra		
- Sitting Fees	1.20	1.60
Mr. Ravindra Nath		
- Sitting Fees	0.90	1.00
Mr. Salil Singhal		
- Sitting Fees	1.00	1.45
Mr. Rameshwar Singh Thakur		
- Sitting Fees	1.25	1.35
- Reimbursement of Expenses	-	1.23
Mrs. Rumjhum Chatterjee		
- Sitting Fees	0.80	1.25
Mr. Vineet Agarwal		
- Sitting Fees	1.05	1.20
Summary of payment made to KMP		
Short term employee benefits*	740.41	904.42
Other Payments	21.98	108.89

* excludes provision in respect of gratuity, compensated absences etc. as the same is determined on an actuarial basis for company as whole and includes commission to directors which is payable after approval of shareholders in annual general meeting.

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

b) With Subsidiary Companies are as under

Nature of Transactions	For the year ended	
	March 31, 2021	March 31, 2020
SR Continental Ltd.		
- Rent paid	0.24	0.24
- Payment made on their behalf	0.65	9.54
Outstanding at the year end:		
- Trade payable	-	0.18
- Other Receivable	0.21	-
Somany Bathware Ltd.		
- Payment made on their behalf	0.51	0.84
Amora Tiles Pvt. Ltd.		
- Purchase of goods	3,986.08	5,229.55
Outstanding at the year end:		
- Other Receivable	446.49	365.54
Somany Sanitaryware Pvt. Ltd.		
- Purchase of goods	4,566.59	4,836.32
- Sales of goods	89.73	509.30
- Interest received	96.90	119.85
- ICD given	100.00	180.00
- ICD received back	110.00	470.00
- Payment made on their behalf	5.70	6.87
Outstanding at the year-end:		
- Trade Receivable	54.30	429.54
- Interest receivable	-	274.24
- Trade payable	356.63	817.21
- ICD recoverable	930.00	940.00
Somany Fine Vitrified Pvt. Ltd.		
- Purchase of goods	7,540.18	9,876.68
- Interest received	37.49	25.39
- ICD Given	-	117.81
Outstanding at the year-end:		
- Interest receivable	17.29	45.64
- Trade payable	2,151.42	2,309.52
- ICD recoverable	357.00	357.00

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

Nature of Transactions	For the year ended	
	March 31, 2021	March 31, 2020
Somany Excel Vitrified Pvt. Ltd.		
- ICD received back	-	100.00
- Interest received	-	5.52
- Investment in Equity Shares	-	100.00
- Payment made on their behalf	0.59	0.55
Outstanding at the year-end:		
- Interest receivable	-	8.63
Vintage Tiles Pvt. Ltd.		
- Purchase of goods	10,699.39	11,570.49
- Fees received for technical services	150.00	180.00
- Interest received	55.23	63.12
Outstanding at the year-end:		
- Other receivable	-	403.12
- Trade payable	38.70	-
- ICD recoverable	526.00	526.00
Vicon Ceramic Pvt. Ltd.		
- Purchase of goods	3,686.93	3,115.76
- Interest received	35.65	42.29
- ICD given	-	13.00
- ICD received back	-	200.00
Outstanding at the year-end:		
- Interest receivable	-	119.59
- Trade payable	490.76	115.81
- ICD recoverable	339.50	339.50
Acer Granito Pvt. Ltd.		
- Purchase of goods	7,719.62	8,215.07
- Fees received for technical services	-	180.00
- Interest received	46.95	40.02
- ICD given	-	250.00
- ICD received back	220.00	150.00
Outstanding at the year-end:		
- Interest receivable	-	19.81
- Trade payable	1,481.96	717.06
- ICD recoverable	330.00	550.00

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

Nature of Transactions	For the year ended	
	March 31, 2021	March 31, 2020
Sudha Somany Ceramics Pvt. Ltd.		
- Purchase of goods	9,277.82	6,544.64
- Sale of Fixed Asset	2.13	6.13
- Rent Paid	9.00	6.75
- Investment in equity shares	300.00	-
- ICD given	-	400.00
- ICD received back	-	400.00
- Interest received	149.82	155.44
Outstanding at the year-end:		
- Interest receivable	138.28	134.84
- Security deposit receivable	105.00	105.00
- Trade Receivable	2.52	-
- Trade Payable	1,098.71	629.27
- ICD recoverable	1,257.00	1,257.00
Amora Ceramics Pvt. Ltd.		
- Purchase of goods	4,389.20	4,335.67
- Interest received	27.31	27.31
Outstanding at the year-end:		
- ICD recoverable	260.10	260.10
- Trade payable	208.41	421.05
- Interest receivable	-	24.58
Somany Bath Fittings Pvt. Ltd.		
- Purchase of goods	2,000.38	2,150.08
- Sale of goods	1.13	11.30
- Rent Paid	0.21	
Outstanding at the year-end:		
- Trade payable	398.22	218.68
Somany Piastrelle Pvt. Ltd.		
- Rent Received	27.16	-
- Investment in equity shares	1.00	-
Outstanding at the year-end:		
- Trade Receivable	25.12	-

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

c) With Employees Trusts are as under:-

Nature of Transactions	For the year ended	
	March 31, 2021	March 31, 2020
Somany Provident Fund Institution		
- Contribution made	194.44	228.99
- Administration Charges	6.51	2.29
Outstanding at the year-end:		
- Payable	25.61	21.33
SPL Employees Gratuity Fund		
- Contribution made	165.21	172.60

d) With Other Related Parties are as under:-

Nature of Transactions	For the year ended	
	March 31, 2021	March 31, 2020
Schablona India Ltd.		
- Purchase of goods	11.28	10.90
- Rent Paid	32.27	4.67
- Sales of goods	0.06	3.74
- Rent received	0.24	0.24
Outstanding at the year-end:		
- Trade payables	0.62	1.03
- Trade receivable	575.66	575.59
Biba Apparels Pvt. Ltd.		
Outstanding at the year-end:		
- Other Payables	1.00	1.66
TCI Express Ltd.		
- Services received	48.67	59.22
Outstanding at the year-end:		
- Trade payables	18.74	28.96
TCI-Concor Multimodal Solutions Pvt. Ltd.		
- Services received	-	2.71
Outstanding at the year-end:		
- Trade payables	0.12	1.16

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

Nature of Transactions	For the year ended	
	March 31, 2021	March 31, 2020
Transport Corporation of India Ltd.		
- Services received	106.85	212.43
- Sale of goods	0.77	-
Outstanding at the year-end:		
- Trade payables	6.15	22.87
Vidres India Ceramics Pvt. Ltd.		
- Purchase of goods	2,303.46	2,537.45
Outstanding at the year-end:		
- Trade payable	230.86	358.54
H. L. Somany Foundation		
- Contribution towards CSR Activities	112.91	195.00
Ishiv India Solution Pvt. Ltd.		
- Purchase of goods	1.49	49.87
Outstanding at the year-end:		
- Trade payable	-	7.39
Trans India Ceramics Pvt. Ltd.		
- Purchase of goods	120.39	8.82
- Purchase of Plant and Equipments	310.12	389.91
- Services received	11.37	18.31
Outstanding at the year-end:		
- Trade payable	13.14	3.16

For guarantee and surety given to related parties, Refer note no. 38(C)(ii).

Terms and conditions of transactions with related parties:

Outstanding balances at the year-end are unsecured, Interest Free and settlement occurs in cash. Terms and conditions for Loan Refer note no.42.

Notes to Standalone Financial Statements for the Year Ended March 31, 2021
(All amounts are in rupees lakhs, unless otherwise stated)

45. Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

Particulars	As at March 31, 2021		As at March 31, 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Investments				
Current	8,881.65	-	3,322.03	-
Loans				
Non current	-	4,249.60	-	4,479.60
Current	-	1,085.00	-	3,030.00
Trade receivables	-	22,461.31	-	27,301.09
Cash and cash equivalents	-	13,606.27	-	794.83
Bank balances other than above	-	110.36	-	48.49
Others				
Non current	-	1,004.98	-	961.59
Current	-	755.34	-	1,267.54
	8,881.65	43,272.86	3,322.03	37,883.14
Financial liabilities				
Borrowings				
Non current	-	3,847.56	-	6,613.42
Current	-	15,371.29	-	18,416.67
Lease Liability				
Non current	-	3,227.90	-	2,461.55
Current	-	476.19	-	626.29
Other financial liabilities				
Non Current	-	2,621.93	-	2,343.40
Current	-	2,372.94	-	3,553.57
Trade payables	-	17,456.70	-	13,508.12
	-	45,374.51	-	47,523.02

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

45. Financial instruments – Fair values and risk management (contd.)**B. Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- (a) recognised and measured at fair value and
- (b) measured at amortised cost.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value – recurring fair value measurements

Particulars	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	1,244.80	7,636.85	-	8,881.65
Total financial assets	1,244.80	7,636.85	-	8,881.65

Particulars	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	3,322.03	-	-	3,322.03
Total financial assets	3,322.03	-	-	3,322.03

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and Debt instruments that have quoted price. The fair value is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example- mutual funds, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

Notes to Standalone Financial Statements for the Year Ended March 31, 2021
(All amounts are in rupees lakhs, unless otherwise stated)

45. Financial instruments – Fair values and risk management (contd.)

C. Financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Investments				
Current	-	-	-	-
Loans				
Non Current	4,249.60	4,249.60	4,479.60	4,479.60
Current	1,085.00	1,085.00	3,030.00	3,030.00
Trade receivables	22,461.31	22,461.31	27,301.09	27,301.09
Cash and cash equivalents	13,606.27	13,606.27	794.83	794.83
Bank balances other than above	110.36	110.36	48.49	48.49
Others				
Non Current	1,004.98	1,004.98	961.59	961.59
Current	755.34	755.34	1,267.54	1,267.54
	43,272.86	43,272.86	37,883.14	37,883.14
Financial liabilities				
Borrowings				
Non current	3,847.56	3,847.56	6,613.42	6,613.42
Current	15,371.29	15,371.29	18,416.67	18,416.67
Lease Liability				
Non current	3,227.90	3,227.90	2,461.55	2,461.55
Current	476.19	476.19	626.29	626.29
Other Financial Liability				
Non current	2,621.93	2,621.93	2,343.40	2,343.40
Current	2,372.94	2,372.94	3,553.57	3,553.57
Trade payables	17,456.70	17,456.70	13,508.12	13,508.12
	45,374.51	45,374.51	47,523.02	47,523.02

The management considers that the carrying amount of financial assets and financial liabilities carried as amortised cost approximates their fair value.

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

45. Financial instruments – Fair values and risk management (contd.)

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to control risks through defined framework.

The Company's risk management policy is established to identify and analyse the risks faced by the Company, to set appropriate controls. Risk management policy is reviewed by the board annually to reflect changes in market conditions and the Company's activities.

The Company's Audit Committee oversees compliance with the Company's risk management policy, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Financial loss to the Company, arising, if a customer or counterparty to a financial instrument fails to meet its contractual obligations principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk closely both in domestic and export market.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sales credit limit are set up for each customer and reviewed periodically. The credit risk from loans to other corporate is managed in accordance with the Company's fund management policy that includes parameters of safety, liquidity and post tax returns. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank reference checks are also done.

The Company creates allowances for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The gross carrying amount of trade receivables is ₹ 24,216.13 Lakhs (Previous year – ₹ 28,649.09 Lakhs).

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

45. Financial instruments – Fair values and risk management (contd.)

Reconciliation of loss allowance provision – Trade receivables

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Opening balance	1,348.00	566.55
Changes in loss allowance	406.82	781.45
Closing balance	1,754.82	1,348.00

Investments

Company invests in Bonds, Debentures, Liquid Mutual Funds, Equity instruments etc., in accordance with the Company's Investment Policy that includes parameters of safety, liquidity and post tax returns. Company avoids the concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position as well as held to maturity policy. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis. Based on historical experience and credit profiles of counterparties, the Company does not expect any significant risk of default other than as disclosed.

iii. Liquidity risk

Liquidity risk is the risk that the Company may face difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, sufficient liquidity to meet its obligations, under both normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amount March 31, 2021	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Borrowings	6,044.44	-	2,196.88	3,847.56	-
Other non-current financial liabilities	2,621.93	-	-	2,621.93	-
Current borrowings	15,371.29	20.33	15,350.96	-	-
Lease Liability	3,704.09		476.19	2,277.50	950.40
Trade payables	17,456.70	-	17,456.70	-	-
Other current financial liabilities	176.06	-	176.06	-	-
Total financial liabilities	45,374.51	20.33	35,656.79	8,746.99	950.40

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

45. Financial instruments – Fair values and risk management (contd.)

Particulars	Carrying Amount March 31, 2020	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Borrowings	9,634.96	-	3,021.54	6,613.42	-
Other non-current financial liabilities	2,343.40	-	-	2,343.40	-
Current borrowings	18,416.67	8,415.61	10,001.06	-	-
Lease Liability	3,087.84		626.29	1,884.11	577.44
Trade payables	13,508.12	-	13,508.12	-	-
Other current financial liabilities	532.03	-	532.03	-	-
Total financial liabilities	47,523.02	8,415.61	27,689.04	10,840.93	577.44

iv. Market risk

Risk on account of changes in foreign exchange rates, interest rates etc. that may affect the Company's income or the value of its holdings of financial instruments. The objective of market risk is to optimise the return by managing and controlling the market risk exposures within acceptable parameters.

v. Currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in CNY, EURO & AUD. The risk is measured through a forecast of highly probable foreign currency cash flows.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows (Foreign currency in Lakhs).

Particulars	March 31, 2021				March 31, 2020		
	USD	CNY	EUR	AUD	USD	CNY	EUR
Receivables (A)	5.22	0.01	-	0.26	6.62	0.01	-
Payables (B)	0.85	0.14	0.26	-	1.06	0.32	2.81
Net statement of financial position exposure (B-A)	(4.37)	0.13	0.26	(0.26)	(5.56)	0.31	2.81

Notes to Standalone Financial Statements for the Year Ended March 31, 2021
(All amounts are in rupees lakhs, unless otherwise stated)

45. Financial instruments – Fair values and risk management (contd.)

The following significant exchange rates have been applied

Particulars	Average Rates		Year end spot rates	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
USD 1	74.20	70.88	73.19	75.73
CNY 1	10.97	10.18	11.17	10.24
EUR 1	86.67	78.80	88.86	83.94
AUD 1	50.74	47.25	55.37	46.11

Sensitivity analysis

Every percentage point depreciation / appreciation in the exchange rate for the closing balances between the Indian Rupee and respective currencies would affect the Company's incremental profit before tax and equity, net of tax as per below :

Particulars	(Profit) or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2021				
USD (10% movement)	31.98	(31.98)	23.93	(23.93)
CNY (10% movement)	(0.15)	0.15	(0.11)	0.11
EUR (10% movement)	(2.34)	2.34	(1.75)	1.75
AUD (10% movement)	1.44	(1.44)	1.08	(1.08)
March 31, 2020				
USD (10% movement)	42.12	(42.12)	31.52	(31.52)
CNY (10% movement)	(0.32)	0.32	(0.24)	0.24
EUR (10% movement)	(23.57)	23.57	(17.64)	17.64

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2021 and March 31, 2020, the Company's borrowings at variable rate were denominated mainly in Indian Rupees.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

45. Financial instruments – Fair values and risk management (contd.)**Exposure to interest rate risk**

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	Nominal Amount	
	As at March 31, 2021	As at March 31, 2020
Fixed-rate instruments		
Borrowings	940.46	4,507.10
	940.46	4,507.10
Variable-rate instruments		
Borrowings	20,475.27	23,544.53
	20,475.27	23,544.53

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or (loss)		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2021				
Variable-rate instruments				
Borrowings	(102.38)	102.38	(76.61)	76.61
Cash flow sensitivity	(102.38)	102.38	(76.61)	76.61
March 31, 2020				
Variable-rate instruments				
Borrowings	(117.72)	117.72	(88.09)	88.09
Cash flow sensitivity	(117.72)	117.72	(88.09)	88.09

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

46. Payment to Auditors

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Statutory audit fee	12.50	12.50
Tax audit fee	2.50	2.50
Limited Review and Certification fee	6.45	4.65
Reimbursement of expenses	0.21	1.88
Total	21.66	21.53

Previous year includes fees paid to statutory auditors of amalgamating companies (Refer note no. 57).

47 Exceptional items

The Company has done investment in debt instruments of a company, in earlier years amounting to ₹ 1,844.73 Lakhs, which due their stressed financial position, has moved to NCLT to seek relief. Considering the above and other available information, as an abundant caution the Company has provided for the above amount as impairment loss in the books of accounts and disclosed the same under the head “Exceptional items”. However, the Company is taking all the necessary actions for recovering the same.

In the previous year, Mentor Financial Services Private Limited (“Mentor”) issued a cheque of ₹ 2,618.26 Lakhs, against amounts due. This cheque bounced owing to insufficient funds. The Company has issued demand notices to Mentor, its directors and authorised signatories for repayment. In view of the continued default, the Company has also filed criminal complaint against Mentor and its directors. As an abundant caution, the Company has accounted for the cheque bouncing event in the financial statements and disclosed it under the head “Exceptional items”.

48 Out of ₹ 11,999.97 Lakhs raised through qualified institutions placement of equity shares in December, 2015, the Company has so far utilised ₹ 8,770.66 Lakhs (previous year ₹ 7,170.66 Lakhs), including issue expenses of ₹ 307.34 Lakhs, for the purpose the fund were so raised and balance ₹ 3,229.31 Lakhs (previous year ₹ 4,829.31 Lakhs) has been temporarily invested mainly in the debt instruments/ funds.

49 Dividend

Dividend paid during the year ended March 31, 2021 include ₹ 2.40/- per equity share towards interim dividend for the year ended March 31, 2021 out of profit available for distribution. Dividend paid during the year ended March 31, 2020 include ₹ 2/- per equity share towards final dividend for the year ended March 31, 2019 and ₹2/- per equity share towards interim dividend for the year ended March 31, 2020 out of profit available for distribution.

50 Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. “Ceramic Tiles and Allied products” and substantially sale of the product is within the country. Hence, the disclosure requirement of Ind AS 108 of ‘Segment Reporting’ is not considered applicable.

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

- 51** Based on the information available, as identified by the management there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

Particulars	March 31, 2021	March 31, 2020
Principal amount remaining unpaid to any supplier as on	1,371.28	553.66
Interest due on the principal remaining unpaid to any supplier as on	-	-
Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
the amount of interest accrued and remaining unpaid during the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

52 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarises the capital of the Company.

Particulars	March 31, 2021	March 31, 2020
Equity Share Capital	847.59	847.59
Other Equity	62,233.84	57,527.17
Total Equity	63,081.43	58,374.76
Non-Current Borrowings	3,847.56	6,613.42
Current maturities of Non-Current Borrowings	2,196.88	3,021.54
Current Borrowings	15,371.29	18,416.67
Total Debts	21,415.73	28,051.63

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

53 Changes in Liabilities from Financing Activities are as under:

Particulars	As at March 31, 2021	Cash Flow changes	Non Cash Changes		As at March 31, 2020
			Foreign Exchange Movement	Others	
Non Current borrowings	6,044.45	(3,626.93)	-	36.42	9,634.96
Current borrowings	15,371.28	(3,045.39)	-	-	18,416.67
Lease Liability	3,704.09	(565.64)	-	1,181.89	3,087.84
Total liabilities from financing activities	25,119.82	(7,237.97)	-	1,218.32	31,141.31

Particulars	As at March 31, 2020	Cash Flow changes	Non Cash Changes		As at March 31, 2019
			Foreign Exchange Movement	Others	
Non Current borrowings	9,634.96	(3,135.12)	-	18.45	12,751.63
Current borrowings	18,416.67	2,770.11	-	-	15,646.56
Lease Liability	3,087.84	(606.03)	-	3,693.87	-
Total liabilities from financing activities	31,139.47	(971.04)	-	3,712.32	28,398.19

54 The company has made investments in Subsidiary Companies as detailed below:

Name	Country of Incorporation	Percentage of holding as at March 31, 2021	Percentage of holding as at March 31, 2020
SR Continental Limited	India	100%	100%
Somany Bathware Limited	India	100%	100%
Amora Tiles Private Ltd.	India	51%	51%
Somany Fine Vitrified Private Limited	India	51%	51%
Somany Sanitaryware Private Limited	India	51%	51%
Somany Excel Vitrified Private Limited	India	100%	100%
Vintage Tiles Private Limited	India	50%	50%
Somany Piastrelle Private Limited (w.e.f February 18, 2021)*	India	100%	-
Vicon Ceramic Private Limited	India	26%	26%
Acer Granito Private Limited	India	26%	26%
Sudha Somany Ceramics Private Limited	India	60%	60%
Amora Ceramics Private Limited	India	51%	51%
Somany Bath Fittings Private Limited (Formerly known as Karanjot Enterprises Private Limited)	India	51%	51%

* During the year, the Company has incorporated a wholly owned subsidiary on February 18, 2021 to carry out the business of manufacturing/trading of tiles, sanitaryware, faucets and any other allied products.

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

55 Lease Disclosure**I. Company as a lessee**

The Company incurred following expenses towards short-term leases and leases of low-value assets.

Lease payments not recognised as a Lease Liability.

Particulars	March 31, 2021	March 31, 2020
Short-term Leases	77.53	155.25
Leases of Low Value Assets	0.74	0.74

II. Company as a lessor

The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Company does not have any significant impact on account of sub-lease on the application of this standard.

The Company has recognised rent income under the head of other income as follows:

Particulars	March 31, 2021	March 31, 2020
Rent received during the year	41.77	9.51

56 As per the Companies Act, 2013, amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹ 117.21 Lakhs (Previous Year ₹ 198.42 Lakhs). During the year ended March 31, 2021, in respect of CSR activities the Company incurred revenue expenditure which was recognised in the statement of profit and loss amounting to ₹ 117.21 Lakhs (Previous year ₹ 201.16 Lakhs).

57 Business Combination

The National Company Law Tribunal Kolkata bench, (NCLT) vide order dated September 4, 2019 sanctioned the Scheme of Amalgamation of Bhilwara Holdings Limited, Sarvottam Vanijya Limited and Scope Vinimoy Private Limited (Amalgamating Companies) engaged in the business of investment activity, with the Company under section 230 to 232 of the Companies Act, 2013 from the appointed date i.e. April 01, 2018. The Scheme became effective on September 25, 2019. Impact of the scheme has been considered during the year ended March 31, 2020.

58 The outbreak of Covid-19 pandemic caused significant disturbances and adverse impact on economic activity globally including India. There was significant impact in the June Quarter of the reporting year on account of demand destruction for the Company. However, the Company estimates to recover the carrying amount of all its assets including inventories, receivables and loans in the ordinary course of business based on information available on current economic conditions. The Company is continuously monitoring any material change in future economic conditions.

59 During the financial year 2018-19, the Company had discovered defalcation of ₹ 1,585.82 Lakhs committed by an employee. The Company has filed a civil as well as a criminal suit against him and his wife, being the beneficiaries. During the pendency of the suit, he and his wife have signed a 'Memorandum of Understanding' (MOU) dated February 11, 2021 with the Company, duly acknowledged by Hon'ble High Court of Gujarat vide its order dated February 12, 2021, under which he and his wife offered their immovable properties to the tune of ₹ 660.00 Lakhs (net off loan of ₹ 40.17 Lakhs) as value determined by the Hon'ble High Court of Gujarat and a sum of ₹ 40.00 Lakhs deposited by them in the Court towards compliance of their Bail condition. In terms of the

Notes to Standalone Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

said MOU, the Company is obligated to attempt to sell the properties in a diligent manner and quantify the amount received upon sale of such properties (net of expenses) and submit a purshis(s) of the same with the Hon'ble Civil Court. However up to March 31, 2021 properties valuing of ₹ 426.81 Lakhs have been transferred in the name of the Company and awaiting the final decree of the Hon'ble Civil Court, the Company is holding the properties in fiduciary capacity and disclosed the same as 'Properties held in trust' under Note no. 16 and also recognised 'Liability under Defalcation Suit' amounting to ₹ 414.93 Lakhs (net of Expenses) under Note no 28. The final accounting and taxation of the amounts mentioned in the purshis(s) would be done based on the final verdict of the Hon'ble Civil Court.

- 60** Scheme of Amalgamation between Schablona India Limited with Somany Ceramics Limited ("the Company") w.e.f. April 01, 2019 (appointed date), has been approved by SEBI. Pending sanction of the said scheme by respective NCLT, no impact has been considered in these financials.
- 61** The figures for the previous periods have been regrouped/rearranged, wherever considered necessary, to conform current period classifications.

For and on behalf of Board of Directors

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Bimal Kumar Sipani

Partner

M. No. 088926

Place: Noida

Date: June 16, 2021

Shreekant Somany

Chairman & Managing Director

DIN: 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Abhishek Somany

Managing Director

DIN: 00021448

Ambrish Julka

GM - Legal and Company Secretary

CONSOLIDATED FINANCIALS

Independent Auditor's Report

To
The Members,
Somany Ceramics Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Somany Ceramics Limited (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. The results of our audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures wherever performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

S.N.	Key Audit Matter	Auditor's Response
1.	<p>Valuation of trade and other financial assets</p> <p>The Holding Company assesses periodically and at each financial year end, expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics.</p> <p>We focused on this area because of its significance and the degree of judgment required to estimate the expected credit loss and determining the carrying amount of trade and other financial assets as at the reporting date.</p>	<p>How our audit addressed the key audit matter:</p> <p>We obtained an understanding of the Holding Company's credit policy for trade receivables, process of approvals and terms and conditions for granting inter corporate deposits and business exigencies for other financial assets and evaluated the processes for identifying impairment indicators. We have reviewed and tested the ageing of trade and other financial assets and management's assessment on the credit worthiness of selected customers for trade receivables and recoverability of other financial assets. We have obtained year-end balance confirmations for inter corporate deposits. We further discussed with the key management on the adequacy of the allowance for credit losses recorded by the Holding Company and reviewed the supporting documents provided by management in relation to their assessment. We have also reviewed adequacy and appropriateness of allowance for credit losses based on available information. Based on our audit procedures performed, we found management's assessment of the recoverability of trade and other financial assets to be reasonable.</p>
2.	<p>Valuation of inventories</p> <p>The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment.</p> <p>Reviews are made periodically by management of Holding Company on inventories for obsolescence and decline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing, and turnover rate.</p>	<p>How our audit addressed the key audit matter:</p> <p>We have analyzed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventory obsolescence. We conducted a detailed discussion with the key management and considered their views on the adequacy of allowances for inventory obsolescence considering the current economic environment. We have also reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amounts of the inventories on a sample basis at the reporting date. We found management's assessment of the allowance for inventory obsolescence to be reasonable based on available evidence.</p>
3.	<p>Valuation of Current Investments</p> <p>Current investments include quoted equity shares and debentures and unquoted mutual funds. Fair valuation of current investments involves significant estimation uncertainty, subjective assumptions and the application of significant judgment. This was an area of focus for our audit and the area where significant audit effort was directed.</p>	<p>How our audit addressed the key audit matter:</p> <p>Our audit procedures included updating our understanding of the processes employed by the Holding Company for accounting and valuing their current investments. We have reviewed year end depository participants. We have verified that the Holding Company was the recorded owner of all investments. Our audit procedures over the valuation of the Investments included reviewing valuation of all Investments held as at March 31, 2021. Based on the audit procedures performed we are satisfied with existence and valuation of investment.</p>

Other Information

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

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

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

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for

safeguarding of the assets of the respective companies included in the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

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

and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent Auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other Auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would

reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a. We did not audit the financial statements of five subsidiaries, whose financial statements include total assets of ₹ 6,515.65 Lakhs as at March 31, 2021, total revenues of ₹ 6,901.18 Lakhs, total net profit after tax of ₹ 18.76 Lakhs, total comprehensive income of ₹ 18.03 Lakhs and net cash outflows of ₹ 111.79 Lakhs for the year ended on that date included in the consolidated financial statements. These financial statements have been audited by other auditors, whose unmodified reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures as required by Section 143(3) of the Act included in respect of these subsidiaries is based solely on reports of the other auditors.
- b. We did not audit the financial statements of seven subsidiaries, whose financial statements include total assets of ₹ 47,249.76 Lakhs as at March 31, 2021, total revenues of ₹ 50,533.02 Lakhs, total net profit after tax of ₹ 548.17 Lakhs and total comprehensive income of ₹ 555.26 Lakhs and net cash inflows of ₹ 68.91 Lakhs for the year ended on that date, whose audited financial statements were adjusted to align with accounting policies of the Holding Company for preparing consolidated financial statements of the Group. These adjusted financial statements were audited by other auditors whose fit for consolidation reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures as required by Section 143(3) of the Act included in respect of these subsidiaries is based solely on fit for consolidation reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit & Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;
- (e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the

Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in “Annexure A” to this report;

- (g) In our opinion and based on the reports of the statutory auditors of subsidiary companies incorporated in India, the remuneration paid/provided during the year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of section 197 (16) of the Act.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of subsidiary companies:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position

of the Group in its consolidated financial statements – Refer Note 38 to the consolidated financial statements;

- ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For Singhi & Co.

Chartered Accountants

Firm Reg. No. 302049E

Bimal Kumar Sipani

Partner

Place: Noida (Delhi-NCR)

Date: June 16, 2021

Membership No. 088926

UDIN: 21088926AAAAHW1050

ANNEXURE A

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

We have audited the internal financial controls over financial reporting of Somany Ceramics Limited (“the Holding Company”) and its subsidiary companies incorporated in India (the Holding Company and its subsidiaries together referred to as “the Group”), as of March 31, 2021 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “guidance Note”) and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013,

to the extent applicable to as audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements of and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal; financial

control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company ; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion the Group has, in all material respects, an adequate

internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India, however same need to be further strengthened.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our Opinion is not modified in respect of this matter.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani

Partner

Place: Noida (Delhi-NCR)

Date: June 16, 2021

Membership No. 088926

UDIN: 21088926AAAAHW1050

Consolidated Balance Sheet as at March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current Assets			
Property, Plant and Equipment	3 (i)	71,040.79	73,391.57
Capital work-in-progress	3 (ii)	862.70	601.88
Right of use Assets	3 (iii)	3,692.32	3,252.30
Other Intangible Assets	3 (iv)	223.78	415.80
Goodwill on Consolidation		727.97	727.97
Financial Assets			
(i) Loans	4	460.00	460.00
(ii) Other Financial Assets	5	1,318.29	1,218.62
Deferred Tax Assets (Net)	22	502.95	543.32
Other Non-Current Assets	6	291.51	149.72
		79,120.31	80,761.18
Current Assets			
Inventories	7	24,463.95	32,818.06
Financial Assets			
(i) Investments	8	8,980.04	3,413.10
(ii) Trade Receivables	9	23,073.09	27,981.10
(iii) Cash and Cash Equivalents	10	14,256.62	1,487.06
(iv) Bank Balances other than (iii) above	11	647.93	518.64
(v) Loans	12	1,085.00	3,030.00
(vi) Other Financial Assets	13	773.76	745.61
Current Tax Assets (net)	14	1,156.26	1,102.27
Other Current Assets	15	2,907.05	3,875.49
		77,343.70	74,971.33
Total Assets		1,56,464.01	1,55,732.51
Equity and Liabilities			
Equity			
Equity Share Capital	16	847.59	847.59
Other Equity	17	64,687.11	59,796.77
Non-controlling Interest		65,534.70	60,644.36
		9,969.53	9,408.72
		75,504.23	70,053.08
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	18	15,143.04	19,656.30
(ii) Lease Liabilities		3,227.90	2,461.55
(iii) Other Financial Liabilities	19	2,639.43	2,360.90
Provisions	20	788.10	690.07
Deferred Income	21	255.91	386.68
Deferred Tax Liabilities (Net)	22	3,716.31	4,126.31
Other Non-Current Liabilities	23	407.11	282.01
		26,177.80	29,963.82
Current Liabilities			
Financial Liabilities			
(i) Borrowings	24	21,020.86	24,849.15
(ii) Lease Liabilities		476.19	626.29
(iii) Trade Payables	25		
Outstanding dues of Micro Enterprises and Small Enterprises		1,622.51	644.45
Outstanding dues other than Micro Enterprises and Small Enterprises		17,195.82	16,645.14
(iv) Other Financial Liabilities	26	5,392.48	6,495.20
Other Current Liabilities	27	8,673.75	6,168.51
Provisions	28	158.70	268.07
Current Tax Liabilities (net)	29	241.67	18.80
		54,781.98	55,715.61
Total Equity and liabilities		1,56,464.01	1,55,732.51
Significant Accounting Policies and Other Notes to Consolidated Financial Statements.	1 to 60		
The accompanying Notes are an integral part of the Consolidated Financial Statements.			

As per our report of even date attached

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

Bimal Kumar Sipani
Partner
M. No. 088926
Place: Noida
Date: June 16, 2021

For and on behalf of Board of Directors

Shreekant Somany
Chairman & Managing Director
DIN: 00021423

Abhishek Somany
Managing Director
DIN: 00021448

Saikat Mukhopadhyay
Chief Financial Officer

Ambrish Julka
GM - Legal and Company Secretary

Consolidated Statement of Profit and Loss for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I. Income			
Revenue from Operations	30	1,65,045.21	1,61,007.10
Other Income	31	1,278.08	1,274.14
Total Revenue (I)		1,66,323.29	1,62,281.24
II. Expenses			
Cost of Materials Consumed	32	39,373.99	44,696.30
Purchases of Stock-in-Trade		30,797.22	28,260.29
Change in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	33	7,848.40	(6,227.95)
Employee Benefit Expense	34	22,482.48	23,904.68
Finance Costs	35	4,010.38	4,941.48
Depreciation and Amortization Expense	3	6,133.64	5,894.52
Other Expenses	36	45,467.92	57,235.62
Total Expenses (II)		1,56,114.03	1,58,704.95
III. Profit Before Exceptional Items and Tax (I-II)		10,209.26	3,576.29
IV. Exceptional Items (Net)	45	1,844.73	2,618.26
V. Profit before tax (III-IV)		8,364.53	958.03
VI. Tax Expense:			
(1) Current Tax	22		
- Current year		2,704.75	582.61
- For earlier years		(49.90)	124.24
(2) Deferred Tax Charge/(Credit)	22	(417.30)	(1,699.10)
VII. Profit for the year (V-VI)		6,126.98	1,950.28
VIII. Other Comprehensive Income (OCI)			
(1) Items that will not be reclassified to profit & loss		188.95	(148.59)
Income Tax relating to above	22	(47.67)	32.44
IX. Total Comprehensive Income for the year (VII+VIII)		6,268.26	1,834.13
Profit for the year attributable to:			
Owners of the Company		5,770.32	1,500.25
Non controlling interests		356.66	450.03
Other Comprehensive Income attributable to:			
Owners of the Company		137.13	(116.38)
Non controlling interests		4.15	0.23
Total Comprehensive Income attributable to:			
Owners of the Company		5,907.45	1,383.87
Non controlling interests		360.81	450.26
Earnings Per Equity Share (Per Share Value of ₹ 2 each)	37		
Basic (In ₹)		13.62	3.54
Diluted (In ₹)		13.62	3.54
Significant Accounting Policies and Other Notes to Consolidated Financial Statements.	1 to 60		
The accompanying Notes are an integral part of the Consolidated Financial Statements.			

For and on behalf of Board of Directors

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Bimal Kumar Sipani

Partner

M. No. 088926

Place: Noida

Date: June 16, 2021

Shreekanth Somany

Chairman & Managing Director

DIN: 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Abhishek Somany

Managing Director

DIN: 00021448

Ambrish Julka

GM - Legal and Company Secretary

Consolidated Statement of Change in Equity for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

(a) Equity Share Capital & Reconciliation of number of shares outstanding at the beginning and end of the year :

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	4,23,79,426	847.59	4,23,79,426	847.59
Less: Share cancelled pursuant to Scheme of Amalgamation*	-	-	1,90,87,200	381.74
Add: Share allotted pursuant to Scheme of Amalgamation*	-	-	1,90,87,200	381.74
Balance at the end of the year	4,23,79,426	847.59	4,23,79,426	847.59

(b) Other Equity

Particulars	Owner's Other Equity						Non Controlling Interest	Total	
	Reserves and Surplus								
	Capital Redemption Reserve	Capital Reserve	Security Premium	General Reserve	Total Retained earnings				Total
				Retained earnings	Remeasurement of defined benefit plans				
Balance at March 31, 2019	317.62	(4,502.42)	16,991.77	6,116.01	41,566.50	(32.95)	60,456.53	8,958.45	69,414.98
Profit for the year	-	-	-	-	1,500.25	-	1,500.25	450.03	1,950.28
Other Comprehensive Income for the year	-	-	-	-	-	(116.38)	(116.38)	0.24	(116.14)
Total Comprehensive Income for the year	-	-	-	-	1,500.25	(116.38)	1,383.87	450.27	1,834.14
Transfer to Capital Redemption Reserve	117.81	-	-	-	(117.81)	-	-	-	-
Dividend Paid	-	-	-	-	1,695.18	-	1,695.18	-	1,695.18
Dividend Distribution Tax	-	-	-	-	348.45	-	348.45	-	348.45
Balance at March 31, 2020	435.43	(4,502.42)	16,991.77	6,116.01	40,905.31	(149.33)	59,796.77	9,408.72	69,205.49
Balance at the beginning of the year	435.43	(4,502.42)	16,991.77	6,116.01	40,905.31	(149.33)	59,796.77	9,408.72	69,205.49
Profit for the year	-	-	-	-	5,770.32	-	5,770.32	356.66	6,126.98
Shares Issued by Subsidiaries to Non Controlling interest shareholders	-	-	-	-	-	-	-	200.00	200.00
Other comprehensive income for the year	-	-	-	-	-	137.13	137.13	4.15	141.28
Total Comprehensive Income for the year	-	-	-	-	5,770.32	137.13	5,907.45	560.81	6,468.26
Dividend Paid	-	-	-	-	1,017.11	-	1,017.11	-	1,017.11
Balance at March 31, 2021	435.43	(4,502.42)	16,991.77	6,116.01	45,658.52	(12.20)	64,687.11	9,969.53	74,656.64

* Refer note no 53.

Capital Redemption Reserve: It represents transfer from Retained Earnings on redemption of Preference Shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

Securities Premium: This Reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

General reserve: It represents appropriation of profits by the board of directors. The said reserve is available for payment of dividend to shareholders as per the provisions of the Companies Act, 2013.

Retained Earnings: Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

Capital Reserve : It Includes a.) difference between consideration and value of net assets, pursuant to the scheme of amalgamation [Refer note no. 53] of ₹ 4,716.59 Lakhs and can be utilised in accordance with the provisions of Companies Act, 2013, b.) Amalgamation Reserve of ₹ 191.27 Lakhs, c.) Reserve against maturity of special bearer bonds of RBI and Bonus Shares received by amalgamating Companies.

The accompanying Notes are an integral part of the Consolidated Financial Statements.

For and on behalf of Board of Directors

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Bimal Kumar Sipani

Partner

M. No. 088926

Place: Noida

Date: June 16, 2021

Shreekant Somany

Chairman & Managing Director

DIN: 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Abhishek Somany

Managing Director

DIN: 00021448

Ambrish Julka

GM - Legal and Company Secretary

Consolidated Cash Flow Statement for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash Flow From Operating Activities		
Net Profit before Tax as per Statement of Profit & Loss	8,364.53	958.03
I. Adjusted For :		
Depreciation and Amortization Expense	6,133.64	5,894.52
Finance Costs	4,010.38	4,941.48
Interest Income	(712.99)	(1,079.62)
Deferred Income	(130.77)	-
(Profit)/Loss on Sales of Investment (Net)	(2.21)	(28.48)
Unrealised Foreign Exchange (Gain)/Loss (Net)	(66.75)	243.42
Net movement on Fair Value of current Investments	88.33	3.17
Provision for credit losses	470.05	804.20
Bad Debts	23.80	19.81
Sundry Balances Written Off	89.27	107.38
Sundry Balances Written Back	(267.19)	(536.08)
(Profit)/Loss on sale of Property, Plant and Equipment (net)	(169.77)	179.72
Exceptional Items	1,844.73	2,618.26
Property, Plant and Equipment Discard /Written Off	282.53	116.19
Operating Profit Before Working Capital Changes	19,957.58	14,242.01
II. Adjusted For :		
Trade and Other Receivables	5,465.19	14,537.47
Inventories	8,354.11	(7,366.07)
Trade and Other Payables	4,414.26	(4,620.25)
Cash Generated from Operation	38,191.14	16,793.16
Income Taxes Refund /(Paid)	(2,545.59)	(1,518.88)
Net Cash Flow From Operating Activities (A)	35,645.55	15,274.28
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and Intangible Assets	(4,416.86)	(7,029.57)
Sale of Property, Plant and Equipment	279.91	389.17
Purchase of Current Investments	(12,000.00)	(3,086.02)
Sale of Current Investments	4,502.21	4,850.25
Interest Received	726.32	1,402.69
Inter Corporate Deposits given	(100.00)	(210.00)
Inter-Corporate Deposit Received Back	2,045.00	2,200.00
Net Cash Outflow From Investing Activities (B)	(8,963.42)	(1,483.49)

Consolidated Cash Flow Statement for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C. Cash Flow from Financing Activities		
Proceeds from Non Current Borrowings	1,453.90	691.23
Repayment of Non Current Borrowings	(6,165.73)	(5,980.05)
Current Borrowings (net)	(128.29)	(1,381.97)
Proceeds from Short Term Loans	6,000.00	28,172.26
Repayment of Short Term Loans	(9,700.00)	(29,272.26)
Payment of Lease Liability	(565.65)	(606.03)
Proceeds from issue of equity shares by subsidiaries to Non Controlling Interest shareholders	200.00	-
Interest Paid	(3,989.69)	(4,833.85)
Dividend Paid (including dividend distribution tax)	(1,017.11)	(2,043.63)
Net Cash Inflow From Financing Activities (C)	(13,912.57)	(15,254.29)
Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C)	12,769.56	(1,463.50)
CASH AND CASH EQUIVALENTS		
Opening		
Cash and Cash Equivalents	1,487.06	2,950.56
Closing		
Cash and Cash Equivalents	14,256.62	1,487.06

Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS – 7 "Statement of Cash Flows".
- Cash and Cash Equivalents represents cash and bank balances (Refer note no. 10).
- Figures for the previous year have been regrouped/rearranged wherever considered necessary.
- Additional Disclosure required under Ind AS 7 (Refer note no. 51).
- The accompanying Notes are an integral part of the Consolidated Financial Statements.

For and on behalf of Board of Directors

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Bimal Kumar Sipani

Partner

M. No. 088926

Place: Noida

Date: June 16, 2021

Shreekant Somany

Chairman & Managing Director

DIN: 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Abhishek Somany

Managing Director

DIN: 00021448

Ambrish Julka

GM - Legal and Company Secretary

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

1 Reporting Entity

The Consolidated Financial Statements comprise financial statements of Somany Ceramics Limited (“the Company” or “Parent”) and its subsidiaries (collectively, “the Group”) for the year ended March 31, 2021. The Company is a public company domiciled in India and having registered office at 2, Red Cross Place, Kolkata – 700001 India. Equity shares of the Company are listed in India on the BSE Limited and the National Stock Exchange Limited.

The Group has manufacturing plants in Kassar (Haryana), Velampadu (Andhra Pradesh), Chandigarh, Kadi and Morbi (Gujarat) India. The Group is a manufacturer and trader of a complete decor solutions and its extensive range of products include Ceramic Wall and Floor Tiles, Polished Vitrified Tiles, Glazed Vitrified Tiles, Sanitaryware, Bath Fittings and allied products.

The Consolidated Financial Statements of the Company for the year ended March 31, 2021 were approved for issue in accordance with a resolution of the directors on June 16, 2021.

2 Significant Accounting Policies

The Group has consistently applied accounting policies except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

2.1 Basis of preparation

The Consolidated Financial Statements of the Group comply in all material aspects with Indian Accounting Standards (“Ind AS”) as prescribed under section 133 of the Companies Act, 2013 (“the Act”), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India.

2.2 Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when only if the Group:

- has power over the investee;

- is exposed or has rights to variable return from its involvement with the investee, and
- has the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group’s voting rights and potential voting rights.
- The size of the Parent Company’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, expenses and other comprehensive income of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member’s financial statements in preparing the Consolidated Financial Statements to ensure conformity with the Group’s accounting policies. The financial

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on March 31.

List of entities considered in Consolidated Financial Statements are as disclosed in Note no. 58.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses, other comprehensive income and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Appropriate adjustments for deferred taxes are made for temporary differences that arise from the elimination of unrealised profits and losses from intra group transactions or undistributed earnings of Group's entity included in consolidated Profit & Loss, if any.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition

date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, 'Income Taxes' and Ind AS 19, 'Employee Benefits', respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Consolidated Statement of Profit & Loss in the period in which they are incurred.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

2.3 Basis of measurement

The Consolidated Financial Statements have been prepared under the historical cost convention on accrual basis except for the followings :

- Non-current borrowings are initially measured at amortised cost.

Notes to Consolidated Financial Statements

for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

- Current investments are measured at fair value at each reporting date.
- Defined benefit plans and other long-term employee benefits are measured at fair value net off fair valuation of plan assets at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.4 Functional and presentation currency

These Consolidated Financial Statements are presented in Indian National Rupee ('INR'), which is the Group's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

2.5 Use of judgements and estimates

In preparing these Consolidated Financial Statements, management has made judgements, estimates and

assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the Consolidated Financial Statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Consolidated Financial Statements have been given below:

- Assessing the lease term (including anticipated renewals) and the applicable discount rate.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the Consolidated Financial Statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment, Intangible assets and Right of Use assets;

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Assessment of recoverability of receivables and advances which requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

2.6 Classification of Assets and Liabilities as Current and Non-Current

The Group presents assets and liabilities in the Consolidate balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash and Cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An liability is treated as current when it is:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

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

The Company has ascertained the operating cycle as

12 months for the purpose of current and non-current classification of assets and liabilities.

2.7 Property, Plant and Equipment Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready for intended use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

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

Foreign exchange loss/gain arising on long-term foreign currency monetary items existing as on April 1, 2016 used for depreciable assets, which are capitalised as per transitional provision of Ind AS 101 "First time adoption".

Subsequent Measurement

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

Depreciation

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013 except for the following which has been determined on the basis of technical evaluation.

Particulars	Useful Life
Plant and Machinery	5 - 25 Years
Vehicles	5 - 8 Years
Dies & Punches	8 Years

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Individual assets costing below ₹ 5000 are fully depreciated in the year of purchase.

Leasehold improvements are depreciated over the lease period or estimated useful life of assets in line with schedule II of the Companies Act, 2013, which ever is lower.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Capital work-in-progress

Capital work-in-progress comprises of assets in the course of construction for production or/and supply of goods or services or administrative purposes, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use and commissioning has been completed.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit & Loss.

2.8 Intangible assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated

amortization and impairment loss, if any. Intangible assets are amortised on straight line method basis over the estimated useful life. Estimated useful life of the Software and designing rights is considered as 5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Consolidated Statement of Profit & Loss when the asset is derecognised.

2.9 Non-current assets held for sale

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.10 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

assets is estimated.

For impairment testing, assets are Grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

2.11 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognised in the Consolidated Statement of Profit & Loss in the period in which they are incurred.

2.12 Foreign currency transactions

Transactions in foreign currencies are recorded by the Group at their respective functional currency

at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit & Loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

2.13 Employee benefits

Short term employee benefits

Short term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Employee benefits in the form of Provident Fund and Employees' pension Scheme are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the

Notes to Consolidated Financial Statements

for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

defined benefit obligation is determined by discounting the estimated future cash outflows using market yields available on government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI and such re-measurement gain / loss are not reclassified to the Statement of Profit and Loss in the subsequent periods. They are included in retained earnings in the statement of changes in equity.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in the Consolidated Statement of Profit & Loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other long-term employee benefits

The Group has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Consolidated Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

2.14 Revenue Recognition

The Group recognises revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the Group has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. The Group considers shipping and handling activities as costs to fulfill the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue.

Revenue (other than sale of goods) is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc.

For incentives offered to customers, the Group makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions. The estimate is made in such a

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The actual amounts may differ from these estimates and are accounted for prospectively. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice.

Interest income are recognised on an accrual basis using the effective interest method.

Dividends are recognised at the time the right to receive payment is established.

2.15 Inventories

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of manufactured finished goods and stock in process is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of raw materials, traded goods and stores & spare parts are computed on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale. However, materials and other items held for use in the production of finished goods are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

2.16 Provisions, Contingent Liabilities and Contingent Assets

Based on the best estimate, provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable (“more likely than not”) that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a

present obligation where no outflow is probable. Major contingent liabilities are disclosed in the Consolidated Financial Statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognised in the Consolidated Financial Statements but disclosed, where an inflow of economic benefit is probable.

2.17 Measurement of fair value

a) Financial instruments

The estimated fair value of the Group’s financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b) Marketable and non-marketable equity securities

Fair value for quoted securities is based on quoted market prices as of the reporting date. Fair value for unquoted securities is calculated based on commonly accepted valuation techniques utilizing significant unobservable data. If fair value cannot be measured reliably unlisted shares are recognised at cost.

2.18 Financial instruments

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The Group classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Group’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

Financial Assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the Consolidated Statement of Profit & Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit & Loss.

Financial Assets at fair value through Other Comprehensive Income (FVOCI)

Financial Assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Financial Assets at fair value through Profit & Loss (FVTPL)

Any Financial assets, which does not meet the criteria for categorization as at amortised cost or as FVOCI, are classified at FVTPL.

In addition, the Group may elect to classify a financial assets, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit & Loss.

Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value as FVOCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Consolidated Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in Consolidated Statement of Profit & Loss.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Group applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Consolidated Statement of Profit & Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit & Loss.

Financial liabilities at fair value through Profit & Loss

Financial liabilities at FVTPL includes financial liabilities designated upon initial recognition as at fair value through Profit & Loss.

Gains or losses on liabilities held for trading are recognised in the Consolidated Statement of Profit & Loss.

Financial liabilities designated upon initial recognition at fair value through Profit & Loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/loss are not subsequently transferred to Consolidated Statement of Profit & Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Consolidated Statement of Profit & Loss.

Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

2.19 Income tax

Income tax expense comprises current and deferred tax. It is recognised in Consolidated Statement of Profit & Loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Group:

- a) Has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Consolidated Balance Sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

Minimum Alternative Tax (MAT) is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Consolidated Statement of Profit & Loss and included in deferred tax assets. The Group reviews the same at each Consolidated Balance Sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

2.20 Leases

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

Group as a lessor

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

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income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, wherein, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognised as expense in the periods in which they are incurred.

Lease Liability

The lease payments that are not paid at the commencement date, are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value as that of right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term or useful life of the underlying asset. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are presented as a separate line in the Balance Sheet and details of assets are given ROU note under "Notes forming part of the Financial Statement".

The Group applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

2.21 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.22 Government grants

Government grants are recognised at its fair value, where there is a reasonable assurance that such grants will be received and compliance with the conditions attached therewith have been met.

Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful lives of qualifying assets or other systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Grants received less amounts credited to the statement of profit and loss at the reporting date are included in the balance sheet as deferred income.

2.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Company.

2.24 Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") has not notified new standard or amendments to the existing standards, which would have been applicable from April 1, 2021.

However, on March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 increasing scope of disclosures, which is applicable on the Company from April 1, 2021.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

3. (i) Property, Plant and Equipment (2020-21)

Particulars	Gross Block					Depreciation					Net Block	
	March 31, 2020	Transfer to Right of Use Assets	Additions	Deletions/ Adjustment	March 31, 2021	March 31, 2020	Transfer to Right of Use Assets	For the year	Deletions/ Adjustment	March 31, 2021	March 31, 2020	March 31, 2021
Tangible Assets												
Freehold land	2,242.45	-	-	-	2,242.45	-	-	-	-	-	2,242.45	2,242.45
Buildings	17,094.64	-	541.00	4.62	17,631.02	2,102.75	-	741.11	0.62	2,843.24	14,991.89	14,787.78
Plant and equipments	59,171.62	-	1,704.03	417.85	60,457.80	8,071.29	-	2,915.32	187.44	10,799.17	51,100.33	49,658.63
Office equipments	1,648.37	-	112.57	41.25	1,719.69	881.78	-	302.15	31.75	1,152.18	766.59	567.51
Furniture and fixtures	4,431.08	-	168.78	280.11	4,319.75	1,684.62	-	788.95	234.76	2,238.81	2,746.46	2,080.94
Vehicles	2,614.81	-	712.78	387.58	2,940.01	1,070.96	-	449.74	284.17	1,236.53	1,543.85	1,703.48
Assets under Finance Lease												
Leasehold land	-	-	-	-	-	-	-	-	-	-	-	-
Total	87,202.97	-	3,239.16	1,131.41	89,310.72	13,811.40	-	5,197.27	738.74	18,269.93	73,391.57	71,040.79

3. (ii) Capital Work in Progress (2020-21)

Capital work-in-progress as at March 31, 2021 is ₹ 862.70 Lakhs.

₹ 2,367.49 Lakhs is addition to Capital works in progress during the year ended March 31, 2021.

₹ 2,106.64 Lakhs has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2021.

3. (iii) Right of Use Assets (2020-21) (Refer note no. 52)

Particulars	Gross Block					Amortization					Net Block	
	March 31, 2020	Transfer From PPE as per IndAS 116	Additions	Deletions/ Adjustment	March 31, 2021	March 31, 2020	Transfer From PPE as per IndAS 116	For the year	Deletions/ Adjustment	March 31, 2021	March 31, 2020	March 31, 2021
Right of use Assets												
Leasehold lands	343.97	-	-	-	343.97	8.12	-	4.09	-	12.21	335.85	331.76
Buildings	3,693.87	-	1,181.90	-	4,875.77	777.42	-	737.79	-	1,515.21	2,916.45	3,360.56
Total	4,037.84	-	1,181.90	-	5,219.74	785.54	-	741.88	-	1,527.42	3,252.30	3,692.32

3. (iv) Other Intangible Assets (2020-21)

Particulars	Gross Block				Amortization				Net Block		
	March 31, 2020	Additions	Deletions/ Adjustment	March 31, 2021	March 31, 2020	For the year	Deletions/ Adjustment	March 31, 2021	March 31, 2020	March 31, 2021	
Intangible Assets											
Softwares		1,078.21	2.47	1.16	1,079.52	662.41	194.49	1.16	855.74	415.80	223.78
Total		1,078.21	2.47	1.16	1,079.52	662.41	194.49	1.16	855.74	415.80	223.78

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

3. (i) Property, Plant and Equipment (2019-20)

Particulars	Gross Block					Depreciation					Net Block	
	March 31, 2019	Transfer to Right of Use Assets	Additions	Deletions/ Adjustment	March 31, 2020	March 31, 2019	Transfer to Right of Use Assets	For the year	Deletions/ Adjustment	March 31, 2020	March 31, 2019	March 31, 2020
Tangible Assets												
Freehold land	2,172.49	-	69.96	-	2,242.45	-	-	-	-	-	2,172.49	2,242.45
Building	13,400.57	-	3,699.04	4.97	17,094.64	1,449.01	-	654.98	1.24	2,102.75	11,951.56	14,991.89
Plant and equipment	55,192.70	-	4,492.15	513.23	59,171.62	5,480.19	-	2,736.94	145.86	8,071.29	49,712.51	51,100.33
Office equipments	1,414.17	-	252.45	18.25	1,648.37	579.16	-	313.86	11.24	881.78	835.01	766.59
Furniture and fixtures	4,111.47	-	352.61	33.00	4,431.08	951.41	-	751.97	18.76	1,684.62	3,160.06	2,746.46
Vehicles	2,723.53	-	471.86	580.58	2,614.81	902.30	-	456.51	287.85	1,070.96	1,821.23	1,543.85
Assets under Finance Lease												
Leasehold land	343.97	(343.97)	-	-	-	4.03	(4.03)	-	-	-	339.94	-
Total	79,358.90	(343.97)	9,338.07	1,150.03	87,202.97	9,366.10	(4.03)	4,914.26	464.95	13,811.40	69,992.80	73,391.57

3. (ii) Capital Work in Progress (2019-20)

Capital work-in-progress as at March 31, 2020 is ₹ 601.88 Lakhs.

₹ 6,492.34 Lakhs is addition to Capital works in progress during the year ended March 31, 2020.

₹ 8,356.46 Lakhs has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2020.

3. (iii) Right of Use Assets (2019-20) (Refer note no. 52)

Particulars	Gross Block					Amortization					Net Block	
	March 31, 2019	Transfer From PPE as per IndAS 116	Additions	Deletions/ Adjustment	March 31, 2020	March 31, 2019	Transfer From PPE as per IndAS 116	For the year	Deletions/ Adjustment	March 31, 2020	March 31, 2019	March 31, 2020
Right of use Assets												
Leasehold lands	-	343.97	-	-	343.97	-	4.03	4.09	-	8.12	-	335.85
Buildings	-	-	3,693.87	-	3,693.87	-	-	777.42	-	777.42	-	2,916.45
Total	-	343.97	3,693.87	-	4,037.84	-	4.03	781.51	-	785.54	-	3,252.30

3. (iv) Other Intangible Assets (2019-20)

Particulars	Gross Block				Amortization				Net Block	
	March 31, 2019	Additions	Deletions/ Adjustment	March 31, 2020	March 31, 2019	For the year	Deletions/ Adjustment	March 31, 2020	March 31, 2019	March 31, 2020
Intangible Assets										
Softwares	1,033.99	44.22	-	1,078.21	463.64	198.77	-	662.41	570.35	415.80
Total	1,033.99	44.22	-	1,078.21	463.64	198.77	-	662.41	570.35	415.80

Note:

1. Assets pledged and Hypothecated against borrowings: Please Refer note no. 18 & 24.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

4. Loans

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposits (ICD)	460.00	460.00
	460.00	460.00

5. Other Financial Assets

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good Unless Stated Otherwise)		
Bank Deposits (Pledged with Government Departments)	120.96	116.96
Fixed Deposits held as Margin Money with Banks/ Financial institutions	362.79	348.96
Security Deposits	834.54	752.70
	1,318.29	1,218.62

6. Other Non-Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advance*	219.62	102.61
Prepaid Expenses	13.35	13.20
Deposits with Government Departments	58.54	33.91
	291.51	149.72

*Capital Advance includes ₹ 100 Lakhs (Previous Year - ₹ 100 Lakhs), represents payment made to a party for purchase of parcel of land in Rajasthan who had offered different parcels of land to the Company. The management is in the process of assessing/ scrutinising the location, title deeds, etc considering its plan for setting up manufacturing unit and had also asked the party for alternative parcels of land. The Company is confident of completing the process of acquisition in near future, hence considered the same good.

7. Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
(Valued at Lower of Cost and Net Realisable Value)		
Raw Materials & Packing Materials	4,057.54	4,576.23
Work -in-Progress	1,466.73	1,347.47
Finished Goods	12,319.57	19,712.71
Stock in Trade	3,614.24	4,188.76
Stores and Spares	3,005.87	2,992.89
	24,463.95	32,818.06

- Inventories are hypothecated to secured borrowings. Refer note no. 18 & 24.
- During the year ₹ 80.27 Lakhs (Previous year ₹ 9.43 Lakhs) was credited to the Statement of Profit and Loss on account of reversal of write down of inventories.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

8. Current Investments

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
A. Investments in Non Convertible Debentures (Quoted) (valued at fair value through profit & loss)				
a) 400 Units (Previous Year - 400 Units) 9.70% U P Power Corporation Ltd 04.07.2031 Bonds (NCD)		400.00		420.08
b) 83 Units (Previous Year - 83 Units) 9.00% SREI Infrastructure Finance Ltd 2027 (NCD)	792.65		812.54	
Less: - Provision for Impairment#	792.65	-	-	812.54
c) 103 Units (Previous Year - 103 Units) 9.00 % Shriram Transport Finance Co. Ltd. 28.03.2028 (NCD)		844.60		1,023.16
d) 1,05,500 Units (Previous Year - 1,05,500 Units) 9.60% SREI Infrastructure Finance Ltd 25.05.2028 (NCD)	1052.08		1,066.07	
Less: - Provision for Impairment#	1052.08	-	-	1,066.07
B. Investments in Mutual Fund (Un-Quoted) (valued at fair value through profit & loss)				
a) 1,33,342.724 Units (Previous Year - Nil) Axis Liquid Fund - Direct Growth		3,046.60		-
b) 2,87,251.767 Units (Previous year-2,87,251.767 Units) SBI Credit Risk Fund - Regular Growth		98.39		91.07
c) 3,84,46,240.336 Units (Previous Year - Nil) HDFC Ultra Short term Fund- Direct Growth		4,590.25		-
C. Investments in Equity Instruments (Quoted) valued at fair value through Profit & Loss (fully Paid)				
a) 550 Equity Shares (Previous Year - 550) of ₹ 2/- each of Punjab National Bank Ltd.		0.20		0.18
		8,980.04		3,413.10
# Refer note no. 45.				
Aggregate Book Value of Quoted Investments		1,244.80		3,322.03
Aggregate Market Value of Quoted Investments		1,244.80		3,322.03
Aggregate Book Value of Un-Quoted Investments		7,735.24		91.07
Aggregate amount of impairment in value of investments		1,844.73		-

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

9. Trade Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
Considered Good	23,073.09	27,981.10
Considered Doubtful - Credit Impaired	1,760.34	1,353.51
	24,833.43	29,334.61
Less: Allowances for losses	1,760.34	1,353.51
	23,073.09	27,981.10

a. For details of receivable from related parties, Refer note no.- 42 Related Party Transactions.

b. Trade Receivables are hypothecated to secured borrowings. Refer note no. 18 & 24.

10. Cash and Cash Equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with Banks		
- Current Accounts	969.42	1,323.58
Cash on Hand	84.66	72.24
Bank Deposit with maturity of 3 months or less	13,202.54	91.24
	14,256.62	1,487.06

11. Other Bank Balances

Particulars	As at March 31, 2021		As at March 31, 2020	
Bank Deposit (Pledged with Government Departments)	212.94		202.58	
Less: - Shown Under "Other Financial Assets"(More than 12 months)	170.53	42.41	163.00	39.58
Fixed Deposits held as Margin Money with Banks/ Financial institutions	723.72		571.29	
Less: - Shown Under "Other Financial Assets"(More than 12 months)	313.06	410.66	300.53	270.76
Fixed Deposits with Banks		85.29		160.60
Earmarked Balances with Banks				
Unclaimed Dividend Accounts		109.57		47.70
		647.93		518.64

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

12. Loans

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposits (ICD)	1,085.00	3,030.00
	1,085.00	3,030.00

13. Other Financial Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Accrued Interest	588.81	602.14
Deposit with others	23.94	43.95
Security Deposits with Government Department	0.60	0.60
Others	160.41	98.92
	773.76	745.61

14. Current Tax Assets (net)

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good Unless Stated Otherwise)		
Advance Income Tax / Tax Deducted at Source [Net of Income Tax Provision of ₹ 12,917.89 Lakhs, (Previous year ₹ 1,128.75 Lakhs)]	1,156.26	1,102.27
	1,156.26	1,102.27

15. Other Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses	329.98	373.77
Export Incentives Receivable	195.10	236.66
Derivative Contract	21.12	3.84
Properties held in Trust (Refer note no. 56)	426.81	-
Vendor Advances	821.99	855.25
Other Receivables*	403.77	530.00
Indirect Tax Recoverable/adjustable	744.57	1,894.99
	2,943.34	3,894.51
*Less: Allowances for credit losses	36.29	19.02
	2,907.05	3,875.49

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

16. Equity Share Capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
Equity Shares 13,65,00,000 (Previous Year - 13,65,00,000) of ₹ 2/- each	2,730.00	2,730.00
Issued, Subscribed and Paid up		
Equity Shares 4,23,79,426 (Previous Year - 4,23,79,426) of ₹ 2/- each fully paid up	847.59	847.59
	847.59	847.59

a. Terms and rights attached to equity shares

The Company has only one class of Equity Shares having face value of ₹ 2/- each and each shareholder is entitled to one vote per share. Each shareholder have the right in profit / surplus in proportion to amount paid up with respect to share holder. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, in proportionate to their individual shareholding in the paid up equity capital of the the company.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

Particulars	Number of Shares	Amount
Outstanding as on April 01, 2019	4,23,79,426	847.59
Less: - Share cancelled pursuant to Scheme of Amalgamation*	1,90,87,200	381.74
Add: - Share allotted pursuant to Scheme of Amalgamation*	1,90,87,200	381.74
Outstanding as on March 31, 2020	4,23,79,426	847.59
Equity Shares issued/ bought back during the year	-	-
Outstanding as on March 31, 2021	4,23,79,426	847.59

c. List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)

Particulars	Number of Shares	Amount
I) Abhishek Somany - in capacity of Trustee Of Shakthi Family Trust	1,00,80,055	1,00,80,055
Ii) Shrivatsa Somany - in capacity of Trustee Of Sanrakshith Family Trust	43,37,872	43,37,872
Iii) Shreekant Somany - in capacity of Trustee Of Srijan Family Trust	43,37,872	43,37,872
iv) Franklin Build India Fund	36,50,000	37,50,000
v) L And T Mutual Fund Trustee Ltd. #	-	25,25,577
	2,24,05,799	2,50,31,376

* Refer note no. 53

Holindg as on March 31, 2021 is not more than 5%.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

17. Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Reserve		
Balance at the beginning of the year	(4,502.42)	(4,502.42)
Addition/ (Transfer) during the year	-	-
Closing balance	(4,502.42)	(4,502.42)
Capital Redemption Reserve		
Balance at the beginning of the year	435.43	317.62
Addition/ (Transfer) during the year	-	117.81
Closing balance	435.43	435.43
Security Premium		
Balance at the beginning of the year	16,991.77	16,991.77
Addition/ (Transfer) during the year	-	-
Closing balance	16,991.77	16,991.77
General Reserve		
Balance at the beginning of the year	6,116.01	6,116.01
Addition/ (Transfer) during the year	-	-
Closing balance	6,116.01	6,116.01
Retained earnings		
Balance at the beginning of the year	40,905.31	41,566.50
Profit for the year	5,770.32	1,500.25
Amount available for appropriation	46,675.63	43,066.75
Less : Appropriation:		
Transfer to Capital Redemption Reserve	-	117.81
Dividend Distributed	1,017.11	1,695.18
Dividend Distribution Tax	-	348.45
Closing Balance	45,658.52	40,905.31
Remeasurement of defined benefit plans		
Balance at the beginning of the year	(149.33)	(32.95)
Other comprehensive income for the year	137.13	(116.38)
Closing Balance	(12.20)	(149.33)
Total Retained Earnings	45,646.32	40,755.98
Total Other Equity	64,687.11	59,796.77

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

18. Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Term Loan		
- From Banks	13,845.74	18,601.90
Car Loan		
- From Banks	1,038.96	952.98
Other borrowings	2,883.19	2,956.98
Unsecured		
- From Others	2,446.33	2,451.55
	20,214.22	24,963.41
Less: Current Maturities of Non Current Borrowings		
Term loan		
- From Banks	4,705.70	4,962.52
Car Loan		
From Banks	365.48	344.59
	5,071.18	5,307.11
	15,143.04	19,656.30

Notes

- Rupee loan of NIL (Previous Year ₹ 2,603.49 Lakhs) from a Bank is secured by first pari passu charges by way of hypothecation of Plant & Machinery and other movable fixed assets of the company situated at Kassar and Kadi plants excluding those exclusively charged to other Banks and second pari passu charge over current assets of the company both present and future.
- Rupee loan of ₹ 5,103.98 Lakhs (Previous Year ₹ 6,224.37 Lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets, both present and future, of the Company at Kassar & Kadi excluding assets those exclusively charged to other Banks. Repayment of aforesaid loan is ₹ 1,891.80 Lakhs, ₹ 2,091.80 Lakhs and ₹ 1,120.38 Lakhs in FY 2021-22, FY 2022-23 and FY 2023-24 respectively.
- Rupee Loan of ₹ 921.00 Lakhs (Previous Year ₹ 1,131.99 Lakhs) of subsidiary company from a Bank is secured by way of hypothecation of entire plant and machinery & other fixed assets of the company (present and future) and equitable mortgage over factory land & building of the company. The said loan is further collaterally secured by extension of hypothecation of entire current assets of the company (both current and future), equitable mortgage over factory land & building of the company, properties owned by the promoters and their families and also personal guarantees of promoters. The said loan is tentatively repayable in FY 2021-22 of ₹ 216.00 Lakhs, FY 2022-23 of ₹ 222.00 Lakhs, FY 2023-24 of ₹ 228.00 Lakhs, FY 2024-25 of ₹ 234.00 Lakhs and balance amount in FY 2025-26.
- Rupee Loan of ₹ 50.29 Lakhs (Previous Year ₹ 101.87 Lakhs) of subsidiary company from a Bank is secured by way of hypothecation of entire plant and machinery & other fixed assets of the company (present and future) and equitable mortgage over factory land & building of the company. The said loan is further collaterally secured by extension of hypothecation of entire current assets of the company (both current and future), equitable mortgage over factory land & building of the company, properties owned by the

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

- promoters and their families and also personal guarantees of promoters. The said loan is repayable in FY 2021-22 in its entirety (Balance Amount).
- e Rupee loan of ₹ 543.72 Lakhs (Previous year ₹ 968.25 Lakhs) of subsidiary company from banks is secured by first pari passu charge on all fixed assets (both present and future) including equitable mortgage of land and building and entire current assets (both present and future) and personal guarantee of promoters. The aforesaid loan is repayable in the FY 2021-22 of ₹ 401.66 Lakhs, FY 2022-23 of ₹ 70.21 Lakhs and FY 2023-24 of ₹ 71.85 Lakhs.
- f Rupee Loan of ₹ 520.83 Lakhs (Previous year ₹ 937.50 Lakhs) of subsidiary company from a Bank is secured by exclusive charge on movable and immovable fixed assets and current assets of the company both present and future and also personal guarantee of promoters. The said loan is repayable in 9 equal quarterly installments.
- g Rupee loan of ₹ 392.97 Lakhs (Previous year ₹ 426.93 Lakhs) of subsidiary company from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the company both present and future. The aforesaid loan is repayable in the FY 2021-22 of ₹ 152.13 Lakhs, FY 2022-23 of ₹ 107.08 Lakhs, FY 2023-24 of ₹ 117.49 Lakhs and FY 2024-25 of ₹ 16.27 Lakhs.
- h Rupee loan of ₹ 1,400.00 Lakhs (Previous year 1,530.00 Lakhs) of subsidiary company is secured by hypothecation of all existing and proposed plant & machineries and other assets, equitable mortgage of factory land and building, personal guarantee from certain directors & their relatives. It is further secured by equitable mortgage of Open Industrial land Located at village : Bhadiyad. Repayment of aforesaid loan is FY 2021-22 of ₹ 225.00 Lakhs, FY 2022-23 of ₹ 300.00 Lakhs, FY 2023-24 of ₹ 300.00 Lakhs, FY 2024-25 of ₹ 300.00 Lakhs and FY 2025-26 of ₹ 275.00 Lakhs. (The Company has availed moratorium benefit declared by RBI under COVID-19 relaxation)
- i Rupee loan of ₹ 165.00 Lakhs (Previous year ₹ 172.50 Lakhs) of subsidiary company is secured by hypothecation of all existing and proposed plant & machineries and other assets, equitable mortgage of factory land and building, personal guarantee from certain directors & their relatives. It is further secured by equitable mortgage of Open Industrial land Located at village : Bhadiyad. Repayment of aforesaid loan is FY 2021-22 of ₹ 40.00 Lakhs, FY 2022-23 of ₹ 40.00 Lakhs, FY 2023-24 of ₹ 40.00 Lakhs, FY 2024-25 of ₹ 40.00 Lakhs and FY 2025-26 of ₹ 5.04 Lakhs. (The Company has availed moratorium benefit declared by RBI under COVID-19 relaxation).
- j Rupee loan of ₹ 231.00 Lakhs (Previous year NIL) of subsidiary company is secured by hypothecation of all existing and proposed plant & machineries and other assets, equitable mortgage of factory land and building, personal guarantee from certain directors & their relatives. It is further secured by equitable mortgage of Open Industrial land Located at village : Bhadiyad. Repayment of aforesaid loan is FY 2021-22 ₹ 178.12 Lakhs and FY 2022-23 ₹ 53.13 Lakhs.
- k Rupee loan of ₹ 476.00 Lakhs (Previous year NIL) of subsidiary company is secured by hypothecation of all existing and proposed plant & machineries and other assets, equitable mortgage of factory land and building, personal guarantee from certain directors & their relatives. It is further secured by equitable mortgage of Open Industrial land Located at village : Bhadiyad. Repayment of aforesaid loan is FY 2021-22 of ₹ 119.00 Lakhs, FY 2022-23 of ₹ 159.00 Lakhs, FY 2023-24 of ₹ 159.00 Lakhs and FY 2024-25 of ₹ 39.00 Lakhs.
- l Rupee term loan of ₹ 2,266.25 Lakhs (Previous year ₹ 2,450.00 Lakhs) of subsidiary company from a Bank is secured through exclusive charge over the entire movable and immovable fixed assets of the company both present and future and exclusive charge over entire current assets of the company both present and future. Repayment of aforesaid loan is ₹ 306.25 Lakhs, ₹ 367.50 Lakhs, ₹ 367.50 Lakhs, ₹ 367.50 Lakhs, ₹ 428.75 Lakhs and ₹ 428.75 Lakhs in FY 2021-22, FY 2022-23, FY 2023-24, FY 2024-25, FY 2025-26 and FY 2026-27 respectively.
- m Rupee term loan of ₹ 250.00 Lakhs (Previous year ₹ 750.00 Lakhs) of subsidiary company from a Bank is secured through exclusive charge over the entire movable and immovable fixed assets of the company both present and future and exclusive charge over entire current assets of the company both present and future. The aforesaid loan is repayable in 2 equal quarterly instalments ₹ 125.00 Lakhs each in FY 2021-22.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

- n Rupee term loan of ₹ 925.00 Lakhs (Previous year ₹ 1,000.00 Lakhs) of subsidiary company from a Bank is secured through exclusive charge over the entire movable and immovable fixed assets of the company both present and future and exclusive charge over entire current assets of the company both present and future. Repayment of aforesaid loan is ₹ 125.00 Lakhs, ₹ 150.00 Lakhs, ₹ 150.00 Lakhs, ₹ 150.00 Lakhs, ₹ 175.00 Lakhs and ₹ 175.00 Lakhs in FY 2021-22, FY 2022-23, FY 2023-24, FY 2024-25, FY 2025-26 and FY 2026-27 respectively.
- o Rupee term loan of ₹ 357.94 Lakhs (Previous year NIL) of subsidiary company from a Bank is secured through exclusive charge over the entire movable and immovable fixed assets of the company both present and future and exclusive charge over entire current assets of the company both present and future. Repayment of aforesaid loan is ₹ 41.30 Lakhs, ₹ 50.48 Lakhs, ₹ 55.07 Lakhs, ₹ 55.07 Lakhs, ₹ 59.66 Lakhs, ₹ 64.25 Lakhs and ₹ 32.11 Lakhs in FY 2021-22, FY 2022-23, FY 2023-24, FY 2024-25, FY 2025-26, FY 2026-27 and FY 2027-28 respectively.
- p Rupee term loan of ₹ NIL (Previous year ₹ 1,000.00) of subsidiary company from a Bank is secured through first charge over the entire current assets of the company both present and future.
- q Other borrowings of ₹ 2,883.19 Lakhs (Previous year ₹ 2,956.98 Lakhs) of subsidiary company Equivalent to aggregate of USD 39.22 Lakhs (Previous year USD 39.22 Lakhs) is secured through exclusive charge over the entire movable and immovable fixed assets of the company both present and future and exclusive charge over entire current assets of the company both present and future. Repayment of aforesaid loan is ₹ 216.24 Lakhs, ₹ 360.39 Lakhs, ₹ 432.48 Lakhs, ₹ 432.48 Lakhs, ₹ 432.48 Lakhs, ₹ 504.56 Lakhs and ₹ 504.56 Lakhs in FY 2021-22, FY 2022-23, FY 2023-24, FY 2024-25, FY 2025-26, FY 2026-27 and FY 2027-28 respectively.
- r Rupee loan of ₹ 241.46 Lakhs (Previous Year ₹ 305.00 Lakhs) of subsidiary company from a Bank is secured by first pari passu charge by way of hypothecation of all movable & Immovable fixed assets (including Land) and all current assets of the company both present and future. The aforesaid loan is repayable in forty eight equal Monthly installments starting from June, 2020.
- s Unsecured loans from others in subsidiary companies will be repaid once the existing loans from banks are fully repaid or as may be mutually agreed between that companies and their banks.
- t During the Previous year the Parent Company has availed moratorium of three months towards repayment of one term loan of ₹ 418.24 Lakhs as per RBI Guideline.
- u Car loan from Banks and others are secured by hypothecation of cars purchased there under and are repayable in monthly installments over the period of loan.
- v Rate of interest applicable to all term loans is linked with MCLR.

19. Other Financial Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Deposits	2,621.93	2,343.40
Security Deposits	17.50	17.50
	2,639.43	2,360.90

20. Provisions (Non Current)

Particulars	As at March 31, 2021	As at March 31, 2020
Employees Benefits	788.10	690.07
	788.10	690.07

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

21. Deferred Income

Particulars	As at March 31, 2021	As at March 31, 2020
Grants related to Property, Plant and equipment	255.91	386.68
	255.91	386.68

Grants relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under the scheme, the Group is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Group would be required to pay the duty saved along with interest to the regulatory authorities. Such grants recognised are released to the statement of profit and loss based on fulfilment of related export obligations.

22. Deferred tax**A. Deferred tax Assets**

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax Assets	1,546.49	1,537.09
Less: Deferred tax Liabilities	1,043.54	993.77
	502.95	543.32

Movement in deferred tax balances

Particulars	As at March 31, 2020	Recognised in P&L			Recognised in OCI	As at March 31, 2021
		Reversal due to change in tax rate	Others	At current tax rate		
Deferred Tax Assets						
Accrued expenses	1.26	-	-	2.69	0.92	4.87
MAT Credit Entitlement	7.30	-	-	3.39	-	10.69
Others	1,529.08	-	-	1.85	-	1,530.93
Sub- Total (a)	1,537.64			7.93	0.92	1,546.49
Deferred Tax Liabilities						
Property, plant and equipment & Intangible assets	994.32	-	-	49.22	-	1,043.54
Others	-	-	-	-	-	-
Sub- Total (b)	994.32			49.22		1,043.54
Net Deferred Tax Assets (a)-(b)	543.32			(41.28)	0.92	502.95

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

22. Deferred tax (contd.)

Particulars	As at March 31, 2019	Recognised in P&L			Recognised in OCI	As at March 31, 2020
		Reversal due to change in tax rate	Others	At current tax rate		
Deferred Tax Assets						
Accrued expenses	-	-	-	0.11	(0.17)	(0.06)
MAT Credit Entitlement	5.81	-	-	1.49	-	7.30
Others	794.34	-	0.72	734.81	-	1,529.84
Sub- Total (a)	800.15	-	0.72	736.42	(0.17)	1,537.09
Deferred Tax Liabilities						
Property, plant and equipment	449.03	(2.73)	-	545.85	-	992.15
Others	-	-	1.62	-	-	1.62
Sub- Total (b)	449.03	(2.73)	1.62	545.85	-	993.77
Net Deferred Tax Assets (a)-(b)	351.12	2.73	(0.90)	190.57	(0.17)	543.32

B. Deferred tax Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax Liabilities	5,777.18	5,304.05
Less: Deferred tax assets	2,060.87	1,177.74
	3,716.31	4,126.31

Particulars	As at March 31, 2020	Recognised in P&L			Recognised in OCI	As at March 31, 2021
		Reversal due to change in tax rate	Others	At current tax rate		
Deferred Tax Assets						
Accrued expenses	766.75	(0.20)	-	492.34	(48.59)	1,210.30
MAT Credit Entitlement	279.00	-	-	71.07	-	350.07
Others	370.40	-	-	130.10	-	500.50
Sub- Total (a)	1,416.15	(0.20)	-	693.51	(48.59)	2,060.87
Deferred Tax Liabilities						
Property, plant and equipment & Intangible assets	5,520.16	(32.81)	-	283.95	-	5,771.30
Others	22.30	(0.43)	-	(15.99)	-	5.88
Sub- Total (b)	5,542.46	(33.24)	-	267.96	-	5,777.18
Net Deferred Tax Liability (b)-(a)	4,126.31	(33.04)	-	(425.55)	48.59	3,716.31

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

22. Deferred tax (contd.)

Particulars	As at March 31, 2019	Recognised in P&L			Recognised in OCI	As at March 31, 2020
		Reversal due to change in tax rate	Others	At current tax rate		
Deferred Tax Assets						
Accrued expenses	455.94	(117.61)	-	371.47	32.60	742.40
MAT Credit Entitlement	293.03	-	-	(14.03)	-	279.00
Others	174.43	(5.49)	(0.72)	(11.88)	-	156.34
Sub- Total (a)	923.40	(123.10)	(0.72)	345.56	32.60	1,177.74
Deferred Tax Liabilities						
Property, plant and equipment & Intangible assets	6,569.04	(1,442.91)	-	159.30	-	5,285.43
Others	20.84	-	(1.62)	(0.59)	-	18.62
Sub- Total (b)	6,589.88	(1,442.91)	(1.62)	158.71	-	5,304.05
Net Deferred Tax Liability (b)-(a)	5,666.48	(1,319.81)	(0.90)	(186.86)	(32.60)	4,126.31

The Group has recognised deferred tax assets on unabsorbed depreciations, carried forward tax losses and MAT Credit Entitlement. The Group has MAT Credit Entitlement, unabsorbed depreciations and incurred tax losses due to substantial expansion in earlier financial years. The Group has concluded that deferred tax assets on MAT Credit Entitlement, unabsorbed depreciations and carried forward tax losses will be recoverable using estimated future taxable income based on approved business plans and budgets. The Group is expected to generate taxable income in near future. MAT Credit Entitlement, unabsorbed depreciation and tax losses can be carried forward as per local tax regulations and the Group expects to recover the same in due course.

C. Amounts recognised in statement of profit & loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax expense		
Current year	2,704.75	582.61
Income tax for earlier year	(49.90)	124.24
	2,654.85	706.85
Deferred tax expense		
Origination and reversal of temporary differences	(417.30)	(1,699.10)
	(417.30)	(1,699.10)
Total Tax Expense	2,237.55	(992.25)

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

22. Deferred tax (contd.)

D. Amounts recognised in Other Comprehensive Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Deferred Tax (Charge)/Credit		
Remeasurements of defined benefit liability	(47.67)	32.44
	(47.67)	32.44

E. Reconciliation of effective tax expense

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rate	Amount	Rate	Amount
Accounting Profit before tax		8,364.53		958.03
Tax using the Company's domestic tax rate	25.17%	2,105.18	25.17%	241.12
Tax effect of:				
Non-deductible expenses		52.12		59.60
Tax incentives		-		(13.98)
Lower tax rate on (gain)/loss on sale of investment		47.53		-
Changes in estimates related to prior years		(49.91)		124.24
Previously unrecognised deferred tax now recognised		9.11		(1.31)
Impact of opening deferred tax assets/liabilities due to change in tax rate		(33.03)		(1,317.07)
Effect of Tax paid at Higher Rate		7.86		13.89
Others		98.69		(98.74)
At the Effective Income Tax Rate		2,237.55		(992.25)

Note: During the year, one of the subsidiary company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961. Accordingly, the subsidiary company has recognised provision for Income Tax for the year ended March 31, 2021 and remeasured its deferred tax assets and liabilities, basis the rate prescribed in the said section. The full impact of this change has been recognised during the current year.

The Holding company and two (2) subsidiary companies has exercised the said option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 and accounted for its impact in the previous year.

One of the subsidiary company incorporated during the year has exercised the option permitted under section 115BAB of the Income Tax Act, 1961.

Nine (9) Subsidiary companies have not exercised this option and continue to recognise the taxes on income for year ended March 31, 2021 as per the normal tax rate at which management expect to recover or settle the deferred tax at this reporting date. Management of these Subsidiary companies will review the above position at each year end.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

23. Other Non-Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	458.25	401.18
Less: Current Maturities	51.14	119.17
	407.11	282.01

24. Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Loans:		
Working Capital Facilities from Banks*		
Working Capital Demand Loans	236.55	2,873.14
Cash Credit	5,433.35	8,274.95
Unsecured Loans:		
- From a Bank (Repayable on demand)	-	3,700.00
- Discounting of Bills Payable	15,350.96	10,001.06
	21,020.86	24,849.15

*Working Capital Facilities from Banks are secured by:

- First charge by way of hypothecation of stocks of raw materials, finished goods and stock in process, stores & spares and book debts and ranking pari-passu; and
- Second and subservient charge by way of (i) Equitable Mortgage (EM) on all properties, both present and future, and (ii) hypothecation of current assets, all movable fixed assets ranking pari-passu, excluding assets exclusively charged. EM over certain land pieces is yet to be created.(iii) in case of few subsidiaries also guaranteed by their directors.

25. Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding dues of Micro Enterprises and Small Enterprises*	1,622.51	644.45
Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	17,195.82	16,645.14
	18,818.33	17,289.59

* For MSME disclosure, Refer note no. 49.

For details of payables to related parties, Refer note no. 42, Related Party Transactions.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

26. Other Financial Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current Maturities of Non Current Borrowings	5,071.18	5,307.10
Interest Accrued	116.45	191.80
Capital Creditors	36.68	834.09
Unclaimed Dividends	45.78	47.70
Others	122.39	114.51
	5,392.48	6,495.20

27. Other Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Dues	2,325.06	761.36
Security Deposits - current maturities of Other Non Current Liabilities	54.99	123.02
Advance from Customers	1,304.82	747.40
Sales Incentive	1,611.74	1,861.59
Liability under Defalcation Suit (Refer note no. 56)	414.93	-
Accruals related to employees and others#	2,962.21	2,675.14
	8,673.75	6,168.51

For details of payables to related parties, Refer note no. 42, Related Party Transactions.

28. Provisions (Current)

Particulars	As at March 31, 2021	As at March 31, 2020
Employees Benefits	158.70	268.07
	158.70	268.07

29. Current Tax Liabilities (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Income Tax [Net of Advance March 31, 2021-₹ 2,471.71 Lakhs, (Pervious year ₹ 3.70 Lakhs)]	241.67	18.80
	241.67	18.80

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

30. Revenue from Operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sales of Goods	1,64,370.62	1,60,048.28
Less: Capitalised/ Transferred to CWIP	-	25.31
	1,64,370.62	1,60,022.97
Other Operating Revenue		
Scrap Sales	219.67	275.36
Sundry Balance Written Back	267.19	536.08
Insurance Claim Received	187.73	172.69
	674.59	984.13
	1,65,045.21	1,61,007.10
a) Unsatisfied performance obligation (contract liabilities) Refer note no.27.		
b) Reconciliation of contract price vis a vis revenue recognised in the statement of profit and loss is as follows:		
Contract Price		
(i) Sales of goods	1,69,712.19	1,64,292.36
(ii) Sales of services	-	-
(iii) Other operating revenue	674.59	984.13
Adjustments:		
Discount/rebate/ incentives	(5,341.57)	(4,269.39)
Revenue recognised in statement of profit and loss	1,65,045.21	1,61,007.10
c) The above revenues have been recognised at point of time.		
d) For contract assets and balances Refer note no. 9.		

31. Other Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income	712.99	1,079.62
Other non-operating revenue:		
Profit on Sale of Property, Plant and Equipments	169.77	-
Profit on Sale of Current Investments measured at FVTPL	2.21	28.48
Net Gain on Foreign Currency Translations and Transactions	110.75	-
Miscellaneous Income	282.36	166.04
	1,278.08	1,274.14

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

32. Cost of Materials Consumed

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw Material Consumed	33,092.10	37,968.62
Packing Material Consumed	6,281.89	6,868.97
	39,373.99	44,837.59
Less: Capitalised/ Transferred to CWIP	-	141.29
	39,373.99	44,696.30

33. Change in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Closing Stock		
Finished Goods	12,319.57	19,712.70
Stock-in-Trade	3,614.24	4,188.76
Total Finished Goods	15,933.81	23,901.46
Work-in-Progress	1,466.73	1,347.47
	17,400.54	25,248.93
Less: Opening Stock		
Finished Goods*	19,712.71	13,678.46
Stock-in-Trade	4,188.76	3,676.37
Total Finished Goods	23,901.47	17,354.83
Work-in-Progress	1,347.47	1,666.15
	25,248.94	19,020.98
(Increase)/ Decrease in Stock	7,848.40	(6,227.95)
	7,848.40	(6,227.95)

*Previous year figures includes ₹263.78 Lakhs transfer on commissioning of New product line on January 8, 2020 by Parent company.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

34. Employee Benefit Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salary, Wages, Bonus etc.	21,116.99	22,526.61
Contribution towards Provident Fund and Gratuity Fund	758.25	767.49
Workmen & Staff Welfare	607.24	634.68
	22,482.48	23,928.78
Less: Capitalised/ Transferred to CWIP	-	24.10
	22,482.48	23,904.68

35. Finance Costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest	3,341.05	4,491.46
Interest expense on lease liabilities	277.20	271.49
Other Borrowing Costs	392.13	340.32
	4,010.38	5,103.27
Less: Capitalised/ Transferred to CWIP	-	161.79
	4,010.38	4,941.48

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

36. Other Expenses

Particulars	For the year ended		For the year ended	
	March 31, 2021		March 31, 2020	
Stores and Spare Parts Consumed		5,560.76		5,721.13
Power & Fuel		27,726.08		34,593.36
Repairs and Maintenance:				
Buildings		118.73		106.21
Plant & Machinery		556.19		563.16
Others		108.73		144.46
Rent		110.08		150.00
Rates & Taxes		156.51		288.51
Insurance		805.29		533.65
Travelling and Conveyance		1,139.09		1,984.21
Net loss on foreign currency translations and transactions		-		149.23
Freight Outward and Handling Charges		2,874.03		3,129.58
Advertisement & Sales Promotion		2,541.37		5,184.31
Commission to Agents		245.54		297.05
CSR Expenses - Refer note no. 54		117.21		201.16
Provision for credit losses		470.05		804.20
Bad Debts	70.91		29.94	
Less: Provision for Credit Losses	47.11	23.80	10.13	19.81
Sundry Balances Written Off	101.85		107.38	
Less: Provision for Credit Losses	12.58	89.27	-	107.38
Technical Support and Services		8.73		16.38
Loss on Sale of Property, Plant and Equipment (net)		-		179.72
Property, Plant and Equipments Discard /Written Off		282.53		116.19
Net Loss on Fair Value of Current Investments		88.33		3.17
Other Expenses*		2,472.76		3,094.49
		45,495.08		57,387.36
Less: Capitalised/ Transferred to CWIP		27.16		151.74
		45,467.92		57,235.62

* For Payment to Statutory Auditor, Refer note no. 44.

37. Earning per share

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Profit for the year	5,770.32	1,500.25
Weighted average number of equity shares of ₹ 2/- each	4,23,79,426	4,23,79,426
EPS - Basic and Diluted (Per share in ₹)	13.62	3.54

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

38. Contingent liabilities, contingent assets and commitments**A. Contingent liabilities (not provided for) in respect of:**

Particulars	As at March 31, 2021	As at March 31, 2020
1. Claim and other demands against the Group not acknowledged as debts.	266.99	214.54
2. Sales Tax demands against which the Group has preferred appeals.	59.46	239.93
3. Excise duty (excluding interest and penalty), service tax demands and show-cause notices issued against which the Group/Department has preferred appeals/filed replies.	333.36	-
4. Income tax demand disputed by the Group which excludes penalty, if any, as same can not be measured at this stage	154.82	172.88
5. a) Local Area Development Tax imposed by the State of Haryana disputed by the Group.	810.78	810.78
b) Entry Tax matter pending before Hon'ble High Court of Calcutta.	38.88	38.88
6. Demand from ESIC disputed by the Group.	15.41	15.41

Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/ decisions pending with various forums/ authorities. However, the Group has reviewed all its pending litigation and proceeding and has adequately provided for where provision required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceeding to have a materially adverse effect on its financial position. The Group does not expects any payment in respect of the above contingent liabilities.

B. Others

- (i) The Group has procured certain capital goods under EPCG scheme at concessional rate of duty. As on March 31, 2021, The Group is contingently liable to pay differential custom duty of ₹ 155.88 Lakhs (Previous year - ₹ 155.88 Lakhs) on such procurement.
- (ii) In light of judgment of Honorable Supreme Court dated 28, February 2019 on the definition of “Basic Wages” under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Group’s evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence, it is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

C. Commitments

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Estimated amount of Contracts remaining to be executed on Capital Account not provided for [Net of Advances]	248.62	50.69

- (ii) The Company, in terms of the Share Subscription cum Shareholders Agreements with subsidiary companies, may contribute funds (loan / equity) in the proportion of its shareholding for the purpose of meeting repayment obligation to banks, financial institutions or other lenders, any statutory liability, liabilities towards fuel suppliers or such other similar liabilities, fund requirement for expansion/ diversification, etc. The Company has committed to a bank, for the same, in respect of one of the subsidiary. The Company shall not withdraw the funds so infused, if any, till the money remain due to bank.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

39. Foreign exchange derivatives and exposures outstanding at the year-end:

Particulars	March 31, 2021		March 31, 2020	
	Amount (Foreign Currency in Lakhs)	Amount (Equivalent Rupees in Lakhs)	Amount (Foreign Currency in Lakhs)	Amount (Equivalent Rupees in Lakhs)
Open Exposures				
Receivables-USD	5.22	382.03	6.71	503.73
Receivables-CNY	0.01	0.04	0.01	0.04
Receivables-AUD	0.26	14.13	-	-
Payables-USD	40.71	2,979.67	40.80	3,089.97
Payables-EURO	0.14	1.61	6.89	578.14
Payables-CNY	0.26	23.45	0.32	3.30

40. Details of Investment made, Loan and Guarantee given covered under section 186(4) of Companies Act, 2013

a) Loan given for business purposes

Particulars	Terms of repayments	For the year ended		Outstanding as on	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Sungloss Ceramic Industries	After one year	-	-	250.00	250.00
Zealous Financial Services Pvt. Ltd.	Within one year	-	-	1,085.00	1,085.00
Commander Vitrified Pvt. Ltd.	Within one year	-	-	-	345.00
Salix Ceramic Pvt. Ltd.	Within one year	100.00	-	-	-
JSTI Investment Ltd.	Within one year	-	-	-	295.00
AM Mobile Telecom Pvt. Ltd.	Within one year	-	-	-	805.00
AM Professional Services Pvt. Ltd.	Within one year	-	-	-	300.00
Devang Consultancy Services Pvt. Ltd.	Within one year	-	-	-	200.00

The above loans carries interest rate in the range of 9.50% to 12.00% (Previous Year 9.50% to 12.00%)

b) Details of investments made is given in Note No. 8.

c) Details of gurantee and security given in Note No. 38.

41. Employee benefits

The Group contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Group makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Contribution to Provident Funds	594.74	616.58

Above amounts have been included in Contributions to Provident and Gratuity Fund (Refer note no. 34) of the Statement of Profit and Loss.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

41. Employee benefits (contd.)**(ii) Defined Benefit Plan:**

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the Group.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Movement in net defined benefit (asset)/liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	March 31, 2021			March 31, 2020		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Opening Balance	1,784.16	1,565.81	218.35	1,490.46	1,511.87	(21.41)
Included in profit & loss						
Current service cost	186.52	-	186.52	194.46	-	194.46
Interest cost / (income)	121.32	(106.48)	14.84	114.17	(115.81)	(1.64)
Past Service Cost including curtailment Gains/Losses	-	-	-	76.74	-	76.74
	307.84	(106.48)	201.36	385.37	(115.81)	269.56
Included in OCI						
Remeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- demographic assumptions	0.01	-	0.01	(1.00)	-	(1.00)
- financial assumptions	(3.24)	-	(3.24)	114.81	-	114.81
- experience adjustment	(9.88)	-	(9.88)	(27.09)	-	(27.09)
- on plan assets	-	(175.84)	(175.84)	-	61.87	61.87
	(13.11)	(175.84)	(188.95)	86.72	61.87	148.59
Other						
Contributions paid by the employer						
Benefits paid	(165.21)	-	(165.21)	(178.39)	-	(178.39)
	(165.21)	-	(165.21)	(178.39)	-	(178.39)
Closing Balance	1,913.68	1,848.13	65.55	1,784.16	1,565.81	218.35

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

41. Employee benefits (contd.)

B. Plan assets

Particulars	March 31, 2021	March 31, 2020
Fund managed by insurer	100%	100%
	100%	100%

In the absence of detailed information regarding plan assets which is funded with Insurance Company, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.80%	6.80%
Expected rate of future salary increase	5.00%	5.00%
Mortality	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The Group expects to pay ₹ 209.2 Lakhs (Previous Year ₹ 202.07 Lakhs) in contribution to its defined benefit plans in the next year.

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(80.83)	91.22	(72.54)	60.77
Expected rate of future salary increase (0.5% movement)	87.18	(78.31)	57.67	(71.00)

Sensitivities due to mortality & withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

E. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follow :-

- Salary Increases- Higher than expected increase in salary will increase the defined benefit obligation.
- Investment Risk – Assets / liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability / Assets.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

- C) Discount Rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the employee benefit of a short career employee typically costs less per year as compared to a long service employee.

4.2. Related parties as identified by the Company**A. Related parties and their relationships****i Key Managerial Personnel (KMP) and their relatives**

Name	Relationship
Mr. Shreekant Somany [^]	Chairman & Managing Director
Mr. Abhishek Somany [^]	Managing Director (Son of Chairman & Managing Director)
Mrs. Anjana Somany [^]	Whole time Director (Wife of Chairman & Managing Director)
Mr. T.R. Maheshwari [^]	CEO upto April 16, 2019
Mr. Saikat Mukhopadhyay [^]	Chief Financial Office (CFO)
Mr. Ambrish Julka [^]	GM (Legal) & Company Secretary
Mrs. Minal Somany	Wife of Managing Director
Mr. Shrivatsa Somany	Son of Chairman & Managing Director (Related party w.e.f. January 18, 2021)
Mr. G.G. Trivedi #	Non- Executive Director
Mr. T.R. Maheshwari #	Additional Director from May 1, 2019 to August 18, 2019 and Non-Executive Director w.e.f. August 19, 2019 till June 9, 2020
Mr. Siddarath Bindra*	Non - Executive Director
Mr. Ravindra Nath*	Non - Executive Director
Mr. Salil Singhal*	Non - Executive Director
Mr. Rameshwar Singh Thakur*	Non - Executive Director
Mrs. Rumjhum Chatterjee*	Non - Executive Director
Mr. Vineet Agarwal*	Additional Director from May 1, 2019 to August 18, 2019 and Non - Executive Director w.e.f. August 19, 2019

[^] KMP under the Companies Act, 2013.

Non Independent Directors

* Independent Directors

ii. Enterprise over which Company exercise significant influence and with whom transactions have taken place during the year:

H. L. Somany Foundation

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

iii. Enterprise over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year

Schablona India Ltd.

iv. Employees Trusts

Somany Provident Fund Institution

SPL Employees Gratuity Fund

v. Other related parties with which Company has transactions:

Name	
Trans India Ceramics Pvt. Ltd.	Private company in which director is a director
Vidres India Ceramics Pvt. Ltd.	Private company in which director is a director
Ishiv India Solutions Pvt. Ltd.	Private company in which director's relative is a director
Biba Apparels Pvt. Ltd.	Private company in which director is a director
TCI-Concor Multimodal Solutions Pvt. Ltd.	Private company in which director is a director
Transport Corporation of India Ltd.	Public company in which director is a director and holds more than 2% shares alongwith relatives
TCI Express Ltd.	Public company in which director is a director and holds more than 2% shares alongwith relatives

B. Transactions with the above in the ordinary course of business

a) Payments to Key Managerial Personnel and their relatives

Nature of Transactions	For the year ended	
	March 31, 2021	March 31, 2020
Mr. Shreekant Somany		
- Remuneration	153.98	299.60
Outstanding at the year-end:		
- Remuneration Payable	3.75	3.66
Mr. Abhishek Somany		
- Remuneration	177.56	332.70
- Commission	200.00	-
- Rent Paid	7.81	9.84
Outstanding at the year-end:		
- Remuneration Payable	-	9.32
- Commission Payable	200.00	-

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

Nature of Transactions	For the year ended	
	March 31, 2021	March 31, 2020
Mrs. Anjana Somany		
- Remuneration	24.26	26.88
- Rent Paid	2.65	3.36
Outstanding at the year-end:		
- Remuneration Payable	-	0.26
Mrs. Minal Somany		
- Remuneration	28.36	27.15
- Rent Paid	11.52	14.56
Outstanding at the year-end:		
- Salary Payable	1.14	1.31
Mr. Shrivatsa Somany		
- Remuneration	1.51	-
Outstanding at the year-end:		
- Salary Payable	1.30	-
Mr. T.R. Maheshwari		
- Remuneration	-	54.67
Mr. Saikat Mukhopadhyay		
- Remuneration	118.46	122.27
- Sale of Goods	0.13	-
Outstanding at the year-end:		
- Salary Payable	3.87	2.19
Mr. Ambrish Julka		
- Remuneration	28.98	31.03
Outstanding at the year-end:		
- Salary Payable	1.09	2.41
Non-Executive/ Independent Directors		
Mr. G.G. Trivedi		
- Consultancy Fees	-	34.99
- Sitting Fees	1.10	1.35
Mr. T.R. Maheshwari		
- Consultancy Fees	-	44.86
- Sitting Fees	-	0.90
- Reimbursement of Expenses	-	0.05

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

Nature of Transactions	For the year ended	
	March 31, 2021	March 31, 2020
Mr. Siddharath Bindra		
- Sitting Fees	1.20	1.60
Mr. Ravindra Nath		
- Sitting Fees	0.90	1.00
Mr. Salil Singhal		
- Sitting Fees	1.00	1.45
Mr. Rameshwar Singh Thakur		
- Sitting Fees	1.25	1.35
- Reimbursement of Expenses	-	1.23
Mrs. Rumjhum Chatterjee		
- Sitting Fees	0.80	1.25
Mr. Vineet Agarwal		
- Sitting Fees	1.05	1.20
Summary of payment made to KMP		
Short term employee benefits*	740.41	904.42
Other Payments	21.98	108.89

* excludes provision in respect of gratuity, compensated absences etc. as the same is determined on an actuarial basis for company as whole and includes commission to directors which is payable after approval of shareholders in annual general meeting.

b) With Employees Trusts are as under:-

Nature of Transactions	For the year ended	
	March 31, 2021	March 31, 2020
Somany Provident Fund Institution		
- Contribution made	194.44	228.99
- Administration Charges	6.51	2.29
Outstanding at the year-end:		
- Payable	25.61	21.33
SPL Employees Gratuity Fund		
- Contribution made	165.21	172.60

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

c) With Other Related Parties are as under:-

Nature of Transactions	For the year ended	
	March 31, 2021	March 31, 2020
Schablona India Ltd.		
-Purchase Of Goods	11.28	10.90
-Rent Paid	32.27	4.67
-Sales of Goods	0.06	66.05
-Rent Received	0.78	0.78
Outstanding at the year-end:		
-Trade Payables	0.62	1.03
-Trade Receivable	1,093.34	1,094.28
Biba Apparels Pvt. Ltd.		
Outstanding at the year-end:		
-Other Payable	1.00	1.66
Vidres India Ceramics Pvt. Ltd.		
-Purchase of goods	2,303.46	2,537.45
Outstanding at the year-end:		
-Trade Payable	230.86	358.54
H. L. Somany Foundation		
-Contribution towards CSR Activities	112.91	195.00
-Rent Received	0.24	0.24
Outstanding at the year-end:		
-Trade Payable	0.07	-
Ishiv India Solution Pvt. Ltd.		
-Purchase of goods	1.49	49.87
Outstanding at the year-end:		
-Trade Payable	-	7.39
TCI Express Ltd.		
-Services received	48.67	59.22
Outstanding at the year-end:		
-Trade Payable	18.74	28.96
TCI-Concor Multimodal Solutions Pvt. Ltd.		
-Services received	-	2.71

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

Nature of Transactions	For the year ended	
	March 31, 2021	March 31, 2020
Outstanding at the year-end:		
-Trade Payable	0.12	1.16
Transport Corporation of India Ltd.		
-Services received	106.85	212.43
-Sale of goods	0.77	-
Outstanding at the year-end:		
-Trade Payable	6.15	22.87
Trans India Ceramics Pvt. Ltd.		
-Purchase of goods	120.39	8.82
-Purchase of Plant and Equipments	310.12	389.91
- Services received	11.37	18.31
Outstanding at the year-end:		
-Trade Payable	13.14	3.16

Terms and conditions of transactions with related parties:

Outstanding balances at the year-end are unsecured, Interest Free and settlement occurs in cash. Terms and conditions for Loan Refer note no. 40.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

43. Financial instruments – Fair values and risk management**I. Fair value measurements****A. Financial instruments by category**

Particulars	As at March 31, 2021		As at March 31, 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investments				
Current	8,980.04	-	3,413.10	-
Loans				
Non Current	-	460.00	-	460.00
Current	-	1,085.00	-	3,030.00
Trade receivables	-	23,073.09	-	27,981.10
Cash and cash equivalents	-	14,256.62	-	1,487.06
Bank balances other than above	-	647.93	-	518.64
Others				
Non Current	-	1,318.29	-	1,218.62
Current	-	773.76	-	745.61
	8,980.04	41,614.69	3,413.10	35,441.03
Financial Liabilities				
Borrowings				
Non Current	-	15,143.04	-	19,656.30
Current	-	21,020.86	-	24,849.15
Lease Liability				
Non Current	-	3,227.90	-	2,461.55
Current	-	476.19	-	626.29
Other Financial Liabilities				
Non-current	-	2,639.43	-	2,360.90
Current	-	5,392.48	-	6,495.20
Trade payables	-	18,818.33	-	17,289.59
	-	66,718.23	-	73,738.98

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

43. Financial instruments – Fair values and risk management (contd.)

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value – recurring fair value measurements

Particulars	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	1,244.80	7,735.24	-	8,980.04
Total financial assets	1,244.80	7,735.24	-	8,980.04

Particulars	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	3,322.03	91.07	-	3,413.10
Total financial assets	3,322.03	91.07	-	3,413.10

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, debt instruments that have quoted price. The fair value is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, mutual funds, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

43. Financial instruments – Fair values and risk management (contd.)**C. Financial assets and liabilities measured at amortised cost**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Loans				
Non Current	460.00	460.00	460.00	460.00
Current	1,085.00	1,085.00	3,030.00	3,030.00
Trade receivables	23,073.09	23,073.09	27,981.10	27,981.10
Cash and cash equivalents	14,256.62	14,256.62	1,487.06	1,487.06
Bank balances other than above	647.93	647.93	518.64	518.64
Others				
Non Current	1,318.29	1,318.29	1,218.62	1,218.62
Current	773.76	773.76	745.61	745.61
	41,614.69	41,614.69	35,441.03	35,441.03
Financial liabilities				
Borrowings				
Non Current	15,143.04	15,143.04	19,656.30	19,656.30
Current	21,020.86	21,020.86	24,849.15	24,849.15
Lease Liability				
Non Current	3,227.90	3,227.90	2,461.55	2,461.55
Current	476.19	476.19	626.29	626.29
Other financial liabilities				
Non-current	2,639.43	2,639.43	2,360.90	2,360.90
Current	5,392.48	5,392.48	6,495.20	6,495.20
Trade payables	18,818.33	18,818.33	17,289.59	17,289.59
	66,718.23	66,718.23	73,738.98	73,738.98

The management considers that the carrying amount of financial assets and financial liabilities carried as amortised cost approximates their fair value.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

43. Financial instruments – Fair values and risk management (contd.)

II. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the processes to control risks through defined framework.

The Company's risk management policy is established to identify and analyse the risks faced by the Group, to set appropriate controls. Risk management policy is reviewed by the board annually to reflect changes in market conditions and the Group's activities.

The Company's Audit Committee oversees compliance with the Company's risk management policy, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Financial loss to the Group, arising, if a customer or counterparty to a financial instrument fails to meet its contractual obligations principally from the Group's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Group monitor credit risk closely both in domestic and export market.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sales credit limit are set up for each customer and reviewed periodically. The credit risk from loans to other corporate is managed in accordance with the Company's fund management policy that includes parameters of safety, liquidity and post tax returns. The Group's review includes market check, industry feedback, past Financial and external ratings, if they are available, and in some cases bank reference checks are also done.

The Group creates allowances for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The gross carrying amount of trade receivables is ₹ 24,833.43 Lakhs (Previous year ₹ 29,334.61 Lakhs).

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

43. Financial instruments – Fair values and risk management (contd.)**Reconciliation of loss allowance provision – Trade receivables**

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Opening balance	1,353.51	572.06
Changes in loss allowance	406.83	781.45
Closing balance	1,760.34	1,353.51

Investments

Group invests in Bonds, Debentures, Liquid Mutual Funds, Equity instruments etc., in accordance with the Company's Investment Policy that includes parameters of safety, liquidity and post tax returns. Group avoids the concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position as well as held to maturity policy. The Group's exposure and credit ratings of its counterparties are monitored on an ongoing basis. Based on historical experience and credit profiles of counterparties, the Group does not expect any significant risk of default other than as disclosed.

iii. Liquidity risk

Liquidity risk is the risk that the Group may face difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to manage liquidity is to ensure, as far as possible, sufficient liquidity to meet its obligations, under both normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amount March 31, 2021	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Borrowings	20,214.22	-	5,071.18	10,279.00	4,864.04
Lease Liability	3,704.09	-	476.19	2,277.50	950.40
Other non-current financial liabilities	2,639.43	-	-	2,639.43	-
Current Borrowings	21,020.86	4,944.31	16,076.55	-	-
Trade payables	18,818.33	-	18,818.33	-	-
Other current financial liabilities	321.30	-	321.30	-	-
Total financial liabilities	66,718.23	4,944.31	40,763.55	15,195.93	5,814.44

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

43. Financial instruments – Fair values and risk management (contd.)

Particulars	Carrying Amount March 31, 2020	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Borrowings	24,963.40	-	5,307.11	14,082.03	5,574.26
Lease Liability	3,087.84	-	626.29	1,884.11	577.44
Other non-current financial liabilities	2,360.90	-	-	2,360.90	-
Current Borrowings	24,849.15	12,975.33	11,873.82	-	-
Trade payables	17,289.59	-	17,289.59	-	-
Other current financial liabilities	1,188.10	-	1,188.10	-	-
Total financial liabilities	73,738.98	12,975.33	36,284.90	18,327.04	6,151.70

iv. Market risk

Risk on account of changes in foreign exchange rates, interest rates etc. that may affect the Group's income or the value of its holdings of financial instruments. The objective of market risk is to optimise the return by managing and controlling the market risk exposures within acceptable parameters.

v. Currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EURO, CNY & AUD. The risk is measured through a forecast of highly probable foreign currency cash flows.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Company is as follows (Foreign currency in Lakhs)

Particulars	March 31, 2021				March 31, 2020		
	USD	CNY	EUR	AUD	USD	CNY	EUR
Trade payables	1.49	0.26	0.14	-	1.58	0.32	2.81
Payable for capital goods	-	-	-	-	-	-	4.08
Borrowings	39.22	-	-	-	39.22	-	-
Less Trade receivables	5.22	0.01	-	0.26	6.71	0.01	-
Net statement of financial position exposure	35.49	0.25	0.14	(0.26)	34.09	0.31	6.89

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

43. Financial instruments – Fair values and risk management (contd.)

The following significant exchange rates have been applied

Particulars	Average Rates		Year end spot rates	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
USD 1	74.20	70.88	73.19	75.73
CNY 1	86.67	10.18	88.86	10.24
EUR 1	10.97	78.80	11.17	83.94
AUD 1	50.74	-	55.37	-

Sensitivity analysis

Every percentage point depreciation / appreciation in the exchange rate for the closing balances between the Indian Rupee and respective currencies would affect the Group's incremental profit before tax and equity, net of tax as per below :

Particulars	(Profit) or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2021				
USD (10% movement)	(259.76)	259.76	(194.39)	194.39
CNY (10% movement)	(2.26)	2.26	(1.69)	1.69
EUR (10% movement)	(0.16)	0.16	(0.12)	0.12
AUD (10% movement)	1.44	(1.44)	1.08	(1.08)
March 31, 2020				
USD (10% movement)	(258.19)	258.19	(193.21)	193.21
CNY (10% movement)	(0.32)	0.32	(0.24)	0.24
EUR (10% movement)	(57.81)	57.81	(43.26)	43.26

Derivatives financial instruments

Derivative contracts entered into by one Subsidiary Company and outstanding as on March 31, 2021 for hedging currency risks:

Nature of Derivative	Type	No. of Contracts	Foreign Currency (In Lakhs)	Amount (In Lakhs)
Forward Covers				
USD/INR	Buy	1	39.22	2,883.19

Note: INR equivalent values have been calculated at the year end exchange rates in INR to give an indicative value of the contracts in Indian rupees. Actual hedges however may be in different currency denominations.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

43. Financial instruments – Fair values and risk management (contd.)

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2021 and March 31, 2020, the Group's borrowings at variable rate were denominated mainly in Indian Rupees.

Currently the Group's borrowings are within acceptable risk levels, as determined by the management, hence the Group has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	Nominal Amount	
	As at March 31, 2021	As at March 31, 2020
Fixed-rate instruments		
Borrowings	6,368.48	10,061.51
	6,368.48	10,061.51
Variable-rate instruments		
Borrowings	34,866.60	39,751.05
	34,866.60	39,751.05

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or (loss)		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2021				
Variable-rate instruments	(174.33)	174.33	(130.46)	130.46
Cash flow sensitivity	(174.33)	174.33	(130.46)	130.46
March 31, 2020				
Variable-rate instruments	(198.76)	198.76	(148.73)	148.73
Cash flow sensitivity	(198.76)	198.76	(148.73)	148.73

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

44. Payment to Auditors

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Statutory Auditor of Parent Company	Statutory Auditor of Subsidiary Companies	Statutory Auditor of Parent Company	Statutory Auditor of Subsidiary Companies
Statutory audit fee	12.50	21.74	12.50	21.10
Tax audit fee	2.50	0.40	2.50	0.35
Limited Review and Certification fee	6.45	6.15	4.65	4.21
Reimbursement of expenses	0.21	0.04	1.88	0.47
Total	21.66	28.33	21.53	26.13

Previous year includes fees paid to statutory auditors of amalgamating companies (Refer note no. 53).

45 Exceptional items

The Parent Company has done investment in debt instruments of a company, in earlier years amounting to ₹ 1,844.73 Lakhs, which due their stressed financial position, has moved to NCLT to seek relief. Considering the above and other available information, as an abundant caution the Parent Company has provided for the above amount as impairment loss in the books of accounts and disclosed the same under the head “Exceptional items”. However, the Parent Company is taking all the necessary actions for recovering the same.

In the previous year, Mentor Financial Services Private Ltd. (“Mentor”) issued a cheque of ₹ 2,618.26 Lakhs, against amounts due. This cheque bounced owing to insufficient funds. The Parent Company has issued demand notices to Mentor, its directors and authorised signatories for repayment. In view of the continued default, the Parent Company has also filed criminal complaint against Mentor and its directors. As an abundant caution, the Parent Company has accounted for the cheque bouncing event in the financial statements and disclosed it under the head “Exceptional items”.

46 Out of ₹ 11,999.97 Lakhs raised through qualified institutions placement of equity shares in December, 2015, the Parent Company has so far utilised ₹ 8,770.66 Lakhs (previous year ₹ 7,170.66 Lakhs), including issue expenses of ₹ 307.34 Lakhs, for the purpose the fund were so raised and balance ₹ 3,229.31 Lakhs (previous year ₹ 4,829.31 Lakhs) has been temporarily invested mainly in the debt instruments/ funds.

47 Dividend

Dividend paid during the year ended March 31, 2021 include ₹ 2.40/- per equity share towards interim dividend for the year ended March 31, 2021 out of profit available for distribution. Dividend paid during the year ended March 31, 2020 include ₹ 2/- per equity share towards final dividend for the year ended March 31, 2019 and ₹ 2/- per equity share towards interim dividend for the year ended March 31, 2020 out of profit available for distribution.

48 Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. “Ceramic Tiles and Allied products” and substantially sale of the product is within the country. Hence, the disclosure requirement of Ind AS 108 of ‘Segment Reporting’ is not considered applicable.

- 49 Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of ‘The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

Particulars	March 31, 2021	March 31, 2020
Principal amount remaining unpaid to any supplier as on	1,622.51	644.45
Interest due on the principal remaining unpaid to any supplier as on	-	-
Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
the amount of interest accrued and remaining unpaid during the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

50 Capital Management

The Group’s policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarises the capital of the Group.

Particulars	March 31, 2021	March 31, 2020
Equity Share Capital	847.59	847.59
Other Equity	64,687.11	59,796.77
Non Controlling Interest	9,969.53	9,408.72
Total Equity	75,504.23	70,053.08
Non-Current Borrowings	15,143.04	19,656.30
Current maturities of Non-Current Borrowings	5,071.18	5,307.10
Current Borrowings	21,020.86	24,849.15
Total Debts	41,235.08	49,812.55

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

51 Changes in Liabilities from Financing Activities are as under:

Particulars	As at March 31, 2021	Cash Flow changes	Non Cash Changes			As at March 31, 2020
			Obtaining/ losing Control of Subsidiary	Foreign Exchange Movement	Others	
Non Current borrowings	20,214.22	(4,711.82)	-	(73.79)	36.42	24,963.41
Current borrowings	21,020.86	(3,828.29)	-	-	-	24,849.15
Lease Liability	3,704.09	(565.65)	-	-	1,181.90	3,087.84
Total liabilities from financing activities	44,939.17	(9,105.76)	-	(73.79)	1,218.32	52,900.40

Particulars	As at March 31, 2020	Cash Flow changes	Non Cash Changes			As at March 31, 2019
			Obtaining/ losing Control of Subsidiary	Foreign Exchange Movement	Others	
Non Current borrowings	24,963.41	(5,288.82)	-	254.44	18.44	29,979.34
Current borrowings	24,849.15	(2,484.23)	-	-	-	27,333.38
Lease Liability	3,087.84	(877.52)	-	-	3,965.36	-
Total liabilities from financing activities	52,900.40	(8,650.57)	-	254.44	3,983.80	57,312.72

52 Lease Disclosure**I. Group as a lessee**

The Group incurred following expenses towards short-term leases and leases of low-value assets.

Lease payments not recognised as a Lease Liability.

Particulars	March 31, 2021	March 31, 2020
Short-term Leases	109.01	149.02
Leases of Low Value Assets	1.07	0.98

II. Group as a lessor

The Group accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Group does not have any significant impact on account of sub-lease on the application of this standard.

The Group has recognised rent income under the head of other income as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent received during the year	42.98	10.29

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

53 Business Combination

The National Company Law Tribunal Kolkata bench, (NCLT) vide order dated September 4, 2019 sanctioned the Scheme of Amalgamation of Bhilwara Holdings Ltd., Sarvottam Vanijya Ltd. and Scope Vinimoy Private Ltd. (Amalgamating Companies) engaged in the business of investment activity, with the Company under section 230 to 232 of the Companies Act, 2013 from the appointed date i.e. April 01, 2018. The Scheme became effective on September 25, 2019. Impact of the scheme has been considered during the year ended March 31, 2020.

54 As per the Companies Act, 2013, amount required to be spent by the Parent Company on Corporate Social Responsibility (CSR) activities during the year was ₹ 117.21 Lakhs (Previous Year ₹ 198.42 Lakhs). During the year ended March 31, 2021, in respect of CSR activities the Parent Company incurred revenue expenditure which was recognised in the statement of profit and loss amounting to ₹ 117.21 Lakhs (Previous year ₹ 201.16 Lakhs).

55 The outbreak of Covid-19 pandemic caused significant disturbances and adverse impact on economic activity globally including India. There was significant impact in the June Quarter of the reporting year on account of demand destruction for the Group. However, the Group estimates to recover the carrying amount of all its assets including inventories, receivables and loans in the ordinary course of business based on information available on current economic conditions. The Group is continuously monitoring any material change in future economic conditions.

56 During the financial year 2018-19, the Parent Company had discovered defalcation of ₹ 1,585.82 Lakhs committed by an employee. The Parent Company has filed a civil as well as a criminal suit against him and his wife, being the beneficiaries. During the pendency of the suit, he and his wife have signed a 'Memorandum of Understanding' (MOU) dated February 11, 2021 with the Parent Company, duly acknowledged by Hon'ble High Court of Gujarat vide its order dated February 12, 2021, under which he and his wife offered their immovable properties to the tune of ₹ 660.00 Lakhs (net off loan of ₹ 40.17 Lakhs) as value determined by the Hon'ble High Court of Gujarat and a sum of ₹ 40.00 Lakhs deposited by them in the Court towards compliance of their Bail condition. In terms of the said MOU, the Parent Company is obligated to attempt to sell the properties in a diligent manner and quantify the amount received upon sale of such properties (net of expenses) and submit a purshis(s) of the same with the Hon'ble Civil Court. However up to March 31, 2021 properties valuing of ₹ 426.81 Lakhs have been transferred in the name of the Parent Company and awaiting the final decree of the Hon'ble Civil Court, the Parent Company is holding the properties in fiduciary capacity and disclosed the same as 'Properties held in trust' under Note no. 15 and also recognised 'Liability under Defalcation Suit' amounting to ₹ 414.93 Lakhs (net of Expenses) under Note no 27. The final accounting and taxation of the amounts mentioned in the purshis(s) would be done based on the final verdict of the Hon'ble Civil Court.

57 Scheme of Amalgamation between Schablona India Limited with Somany Ceramics Limited ("the Parent Company") w.e.f. April 01, 2019 (appointed date), has been approved by SEBI. Pending sanction of the said scheme by respective NCLT, no impact has been considered in these financials.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

58 The Consolidated Financial Statements include the accounts of Somany Ceramics Limited (Parent Company) and its subsidiaries as detailed below:

Name	Country of Incorporation	Percentage of Ownership interest as at March 31, 2021	Percentage of Ownership interest as at March 31, 2020
SR Continental Ltd.	India	100%	100%
Somany Bathware Ltd. (Formerly known as Somany Global Ltd.)	India	100%	100%
Amora Tiles Pvt. Ltd.	India	51%	51%
Somany Fine Vitrified Pvt. Ltd.	India	51%	51%
Somany Sanitaryware Pvt. Ltd.	India	51%	51%
Somany Excel Vitrified Pvt. Ltd.	India	100%	100%
Vintage Tiles Pvt. Ltd.	India	50%	50%
Vicon Ceramic Pvt. Ltd.	India	26%	26%
Acer Granito Pvt. Ltd.	India	26%	26%
Sudha Somany Ceramics Pvt. Ltd. (Formerly known as Sudha Ceramics Pvt. Ltd.)	India	60%	60%
Amora Ceramics Pvt. Ltd.	India	51%	51%
Somany Bath Fittings Pvt. Ltd. (Formerly known as Karanjot Enterprises Pvt. Ltd.) (w.e.f. May 1, 2018)	India	51%	51%
Somany Piastrelle Pvt. Ltd. (w.e.f February 18, 2021)*	India	100%	0%

*During the year, the Parent Company has incorporated a wholly owned subsidiary on February 18, 2021 to carry out the business of manufacturing/trading of tiles, sanitaryware, faucets and any other allied products.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

59 Disclosure of the additional information as required by the Schedule III:

a) As at and for the year ended March 31, 2021

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated Profit/ (Loss)	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
Parent								
Somany Ceramics Limited	96.26%	63,081.45	96.86%	5,588.88	98.38%	134.91	96.89%	5,723.79
Subsidiaries (Indian)								
SR Continental Ltd.	0.20%	134.08	(0.01)%	(0.54)	0.00%	-	(0.01)%	(0.54)
Somany Bathware Ltd.	0.15%	95.30	0.10%	5.94	0.00%	-	0.10%	5.94
Amora Tiles Pvt. Ltd.	2.52%	1,653.35	(2.29)%	(132.14)	1.66%	2.28	(2.20)%	(129.86)
Somany Fine Vitrified Pvt. Ltd.	3.46%	2,267.78	(3.45)%	(199.18)	1.23%	1.69	(3.34)%	(197.49)
Somany Sanitaryware Pvt. Ltd.	1.80%	1,180.10	0.37%	21.13	(0.52)%	(0.72)	0.35%	20.41
Somany Excel Vitrified Pvt. Ltd	0.57%	372.17	0.39%	22.73	0.00%	-	0.38%	22.73
Vintage Tiles Pvt. Ltd.	2.22%	1,457.51	(1.67)%	(96.09)	0.74%	1.01	(1.61)%	(95.08)
Somany Piastrelle Pvt. Ltd. (w.e.f February 18, 2021)	0.00%	0.67	(0.01)%	(0.33)	0.00%	-	(0.01)%	(0.33)
Acer Granito Pvt. Ltd.	3.99%	2,613.57	2.24%	129.50	2.53%	3.46	2.25%	132.96
Vicon Ceramic Pvt. Ltd.	1.58%	1,033.67	1.14%	65.72	(0.01)%	(0.01)	1.11%	65.71
Sudha Somany Ceramics Pvt Ltd.	1.92%	1,260.58	2.08%	119.77	(1.28)%	(1.76)	2.00%	118.01
Amora Ceramics Pvt Ltd.	0.99%	648.99	(1.36)%	(78.57)	0.31%	0.43	(1.32)%	(78.14)
Somany Bath Fittings Pvt. Ltd. (Formerly known as Karanjot Enterprises Pvt. Ltd.)	1.13%	738.60	(0.53)%	(30.50)	(0.00)%	(0.01)	(0.52)%	(30.51)
Non Controlling Interest in All Subsidiaries	(15.21)%	(9,969.53)	(6.18)%	(356.66)	(3.03)%	(4.15)	(6.11)%	(360.80)
Consolidated Adjustments/ Eliminations*	(1.58)%	(1,033.59)	12.32%	710.66	0.00%	-	12.03%	710.66
	100.00%	65,534.70	100.00%	5,770.32	100.00%	137.13	100.00%	5,907.45

*includes inter company eliminations, consolidation adjustments including accounting estimation difference.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2021

(All amounts are in rupees lakhs, unless otherwise stated)

b) As at and for the year ended March 31, 2020

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated Profit/(Loss)	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
Parent								
Somany Ceramics Limited	96.26%	58,374.76	88.40%	1,326.22	100.21%	(116.62)	87.41%	1,209.60
Subsidiaries (Indian)								
SR Continental Ltd.	0.22%	134.63	(0.27)%	(4.02)	0.00%	-	(0.29)%	(4.02)
Somany Bathware Ltd.	0.15%	89.36	0.27%	4.12	0.00%	-	0.30%	4.12
Amora Tiles Pvt. Ltd.	2.94%	1,783.22	(3.22)%	(48.25)	0.00%	-	(3.49)%	(48.25)
Somany Fine Vitrified Pvt. Ltd.	4.07%	2,465.27	8.96%	134.38	0.00%	-	9.71%	134.38
Somany Sanitaryware Pvt. Ltd.	1.91%	1,159.69	2.26%	33.87	0.00%	-	2.45%	33.87
Somany Excel Vitrified Pvt. Ltd.	0.58%	349.44	1.32%	19.78	0.00%	-	1.43%	19.78
Vintage Tiles Pvt. Ltd.	2.56%	1,552.59	(10.16)%	(152.40)	0.00%	-	(11.01)%	(152.40)
Acer Granito Pvt. Ltd.	4.09%	2,480.61	8.11%	121.74	0.00%	-	8.80%	121.74
Vicon Ceramic Pvt. Ltd.	1.60%	967.93	3.36%	50.44	0.00%	-	3.64%	50.44
Sudha Somany Ceramics Pvt Ltd.	1.06%	642.55	(62.44)%	(936.74)	0.00%	-	(67.69)%	(936.74)
Amora Ceramics Pvt Ltd.	1.20%	727.14	0.95%	14.22	0.00%	-	1.03%	14.22
Somany Bath Fittings Pvt. Ltd. (Formerly known as Karanjot Enterprises Pvt. Ltd.)	1.27%	769.10	(3.35)%	(50.23)	(0.41)%	0.47	(3.60)%	(49.75)
Non Controlling Interest in All Subsidiaries	(15.51)%	(9,408.72)	(30.00)%	(450.03)	0.20%	(0.23)	(32.54)%	(450.26)
Consolidated Adjustments/Eliminations*	(2.38)%	(1,443.22)	95.79%	1,437.14	0.00%	-	103.85%	1,437.14
	100.00%	60,644.36	100.00%	1,500.25	100.00%	(116.38)	100.00%	1,383.87

*includes inter company eliminations, consolidation adjustments including accounting estimation difference.

60 The figures for the previous periods have been regrouped/rearranged, wherever considered necessary, to conform current period classifications.

For and on behalf of Board of Directors

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Bimal Kumar Sipani

Partner

M. No. 088926

Place: Noida

Date: June 16, 2021

Shreekant Somany

Chairman & Managing Director

DIN: 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Abhishek Somany

Managing Director

DIN: 00021448

Amrish Julka

GM – Legal and Company Secretary



SOMANY CERAMICS LIMITED

Regd. Office: 2, Red Cross Place, Kolkata, West Bengal-700001

CIN: L40200WB1968PLC224116, **website:** www.somanyceramics.com

Phone: 033-22487406/5913, **E-mail:** corporateaffairs@somanyceramics.com

NOTICE OF THE 53RD ANNUAL GENERAL MEETING

Notice is hereby given that the 53rd Annual General Meeting of the Members of Somany Ceramics Limited will be held on Wednesday, the September 15, 2021 at 12:00 Noon (IST) through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) without physical presence of the members at a common venue, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt: -
the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021 together with the Reports of Directors’ and Auditors’ thereon; and the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 together with report of Auditors thereon.
2. To confirm the payment of Interim Dividend of ₹ 2.40 per Equity Share of ₹ 2.00 each of the Company for the Financial year ended March 31, 2021 as final dividend.
3. To appoint a Director in place of Shri Abhishek Somany (DIN: 00021448), who retires by rotation at this Annual General Meeting and being eligible, has offered himself for re-appointment.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

Approval of shareholders for continuation of directorship of Shri Ghanshyam Girdharbhai Trivedi (DIN: 00021470) after attaining age of 75 years as a Non-Executive Non-Independent Director of the Company.

“**RESOLVED THAT** in accordance with the regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of the members be and is hereby accorded for Shri Ghanshyam Girdharbhai Trivedi (DIN: 00021470), who will be attaining the age of 75 years during his tenure of directorship i.e. on September 18, 2021, to continue as a Non-Executive Non-Independent Director of the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, proper and expedient in order to give effect to the above Resolution.”

5. To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

Authorize borrowings by way of Issuance of Non-Convertible Debentures/Bonds/Other Similar Instruments.

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment

of Securities) Rules, 2014, and subject to all the applicable Laws and Regulations, including but not limited to SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the Listing Agreement entered into with the Stock Exchange (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of the Memorandum and Articles of Association of the Company, consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to borrow from time-to-time by making offer(s) or invitation(s) to subscribe or issuance of redeemable Non-Convertible Debentures (NCD)/Bonds/Other similar instruments, whether secured or unsecured, on private

placement basis, in one or more tranches, upto an amount not exceeding ₹ 50 Crore (Rupees Fifty Crore Only) during a period of one year from the date of passing of this Resolution on such terms and conditions as the Board may, from time to time, determine and consider proper and that the said borrowing shall be within the overall borrowing limits of the Company as may be approved by the Members from time to time.”

By Order of the Board
For Somany Ceramics Limited

(Amrish Julka)

Place: Noida General Manager (Legal) & Company Secretary

Dated: June 16, 2021

M. No.: F4484

NOTES:

1. Explanatory Statements setting out the material facts concerning each item of Special Business to be transacted at the Annual General Meeting pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice. Information on Directors proposed to be appointed/re-appointed at the Meeting as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 are provided in the Annexure - A to this Notice.
2. In view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by Securities and Exchange Board of India (“SEBI”). The forthcoming AGM of the Company will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the 53rd Annual General Meeting of the Company shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is given below in the e-voting instructions.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 and SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by Securities and Exchange Board of India (“SEBI”), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting

system on the date of the AGM will be provided by CDSL.

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members can attend the AGM through VC/OAVM and cast their votes through e-voting.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.somanyceramics.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
8. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020, MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by Securities and Exchange Board of India ("SEBI").
9. In continuation of this Ministry's General Circular No. 20/2020, dated May 05, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020 or become due in the year 2021, to conduct their AGMs on or before December 31, 2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13, 2021.
10. Members holding shares in physical form are requested to notify changes, if any, in their address and the Bank Account particulars to the Company's Registrars & Share Transfer Agent M/s. Maheshwari Datamatics Pvt. Ltd., 23, R.N. Mukherjee Road, 5th floor, Kolkata, West Bengal, 700001. Telephone No. 033-22435029/22482248, E-mail: mdpldc@yahoo.com
11. Members having multiple folios in the same order of name(s) may inform the Company for consolidation into one folio.
12. Members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit the prescribed Form SH-13 to the Registrars & Share Transfer Agent of the Company for nomination and Form SH-14 for cancellation/variation as the case may be. Shareholders holding shares in demat form are also advised to avail nomination facility by submitting the prescribed form to their respective Depository Participants (DPs).
13. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contract or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection.
14. (a) Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, the unpaid/unclaimed dividends

upto the year 2012-2013 has been transferred to Investor Education and Protection Fund (“IEPF”) and dividends for the Financial Year ended March 31, 2014 and thereafter which remain unpaid or unclaimed for a period of 7 consecutive years will also be transferred to the IEPF constituted by the Central Government, on the respective due dates on or after October 9, 2021. The Company has also uploaded full details of such shareholders, whose dividend for seven consecutive years remained unclaimed, on its website www.somanyceramics.com. Members, who have not encashed their dividend warrant(s) for the financial year ended March 31, 2014 or any subsequent financial year(s) are urged to claim such amount from the Company immediately. Shareholders whose amount has been transferred to IEPF as above may claim refund from IEPF in accordance with the provisions under the Companies Act, 2013 and rules made thereunder.

- (b) Pursuant to the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amount lying with Companies) Rules, 2012, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on August 18, 2020 (the date of last Annual General Meeting) on the website of the Company www.somanyceramics.com.
- (c) Further, pursuant to the provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, all shares in respect of which dividend has not been encashed/claimed by the Shareholders for seven consecutive years, the Company is required to transfer such Equity Shares of the Members to the Demat Account of the IEPF. Accordingly, the Company has transferred 8,797 Equity Shares of ₹ 2/- each to IEPF whose dividend has not been encashed for consecutive 7 years from 2012-13, details of which are available on website of the Company also. Similarly, the Company will transfer such shares to the Demat Account of IEPF Authority on which dividend for 2013-14 will remain un-encashed for consecutive 7 years, as per the guidelines issued by the concerned authority/(ies) from time to time.
15. SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 has mandated that for making dividend payments, companies whose securities are listed on the stock exchanges shall use electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc. The Company and its Registrars and Share Transfer Agent are required to seek relevant bank details of shareholders from depositories/investors for making payment of dividends in electronic mode. Further, pursuant to recent General Circular 20/2020 dated May 05, 2020 companies are directed to credit the dividend of the shareholders directly to the bank accounts of the shareholders using Electronic Clearing Service. Accordingly, Members are requested to provide or update (as the case may be) their bank details with the respective depository participant for the shares held in dematerialized form and with the Registrars & Share Transfer Agent in respect of shares held in physical form.
 16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants (DPs) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA viz. Maheshwari Datamatics Private Limited/Company.
 17. SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which provides that from April 01, 2019 transfer of securities would not be processed unless the securities are held in the dematerialized form with a depository. In view of the same, now the shares cannot be transferred in the physical mode. Hence, Members holding shares in physical form are requested to dematerialise their holdings immediately. However, Members can continue to make request for transmission or transposition of securities held in physical form.
 18. The Companies Act, 2013 in line with the measures undertaken

by the Ministry of Corporate Affairs for promotion of Green Initiative, has introduced enabling provisions for sending notice of the meeting and other shareholder correspondences through electronic mode. Members holding shares in physical mode are requested to register their email ID's with the Company or its RTA and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs). If there is any change in the e-mail ID already registered with the Company, Members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

19. Members may also note that the Notice of this Annual General Meeting and the Annual Report of the Company for the year 2020-21 is also available on the website of the Company viz. www.somanyceramics.com
20. The Financial Statements of the subsidiaries of the Company are not attached to the 53rd Annual Report of the Company. However, these documents will be made available upon receipt of request from any Member of the Company and shall be available at the Registered Office of the Company as well as its Subsidiary Companies for inspection by the Members in terms of the provisions under the Companies Act, 2013.
21. The Board of Directors of the Company has appointed Mr. Akshit Kumar Jangid, Partner of M/s Pinchaa & Co., Company Secretaries, (Membership No. 44537, CP No. 16300), as Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting in a fair and transparent manner.

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

- (i) The voting period begins on September 12, 2021, 09:00 A.M. and ends on September 14, 2021, 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. September 08, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Any person, who acquire shares of the Company and becomes a member of the Company after sending of the notice and holding shares as of the cut-off date, may follow the same procedure as given below for remote e-voting.
- (iv) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(vi) **Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

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

the system.

17) Facility for Non – Individual Shareholders and Custodians – Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; ppincha@gmail.com and scl_agm@somanyceramics.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available

where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at scl_agm@somanyceramics.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at scl_agm@somanyceramics.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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

Item No. 4

Shri Ghanshyam Girdharbhai Trivedi (Shri Trivedi) was appointed as Non- Executive Non-Independent Director of the Company at the Annual General meeting held on August 30, 2018.

Shri Trivedi is associated with the Company since 1987. He has vast experience in the Ceramic, Glass and Sanitaryware industry.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, [SEBI (LODR)] with effect from April 1, 2019, no listed Company shall appoint or continue the directorship of a non-executive director who has attained the age of 75 years, unless a Special Resolution is passed to that effect and satisfaction thereof, is indicated in the statement annexed to the notice for such appointment. Since Shri Trivedi would be attaining his age of 75 years on September 18, 2021 during the tenure of his appointment and considering his experience as explained therein above the Special Resolution is proposed to be passed under item No.4 of the accompanying notice of the AGM of the Company.

None of the Directors, except Shri Ghanshyambhai Girdharlal Trivedi, may be deemed to be interested and/or concerned in the resolution.

The Board recommends the resolution set forth under item no.4 for the approval of the Members as a Special Resolution.

Item No. 5

Section 42 of the Companies Act, 2013 (Act) read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, allows a company to pass a special resolution once in a year for all

the offers or invitations for Non-Convertible Debentures/Bonds/ Other Similar Instruments to be made during the year through a private placement basis in one or more tranches.

Section 71 of the Act read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 deals with issue of debentures. Keeping in view the above provisions of the Act, the Board of Directors at its meeting held on June 16, 2021 considered and recommend the issuance of Non-Convertible Debentures/ Bonds/Other Similar Instruments on Private Placement basis for an amount of ₹ 50 Crore under Section 42 and 71 of the Companies Act, 2013, in one or more tranches. Accordingly, consent of the Members is sought for passing the Special Resolution as set out at item No. 5 of the Notice. This resolution is an enabling resolution and authorizes the Board of Directors (including Committee of Directors) of the Company to offer or invite subscription for non-convertible debentures/bonds/other similar instruments, as may be required by the Company, from time to time for a year from the date of passing this Resolution. Previous resolution was passed at the AGM held on August 18, 2020 was valid for one year, hence renewed resolution is being proposed to be passed.

The Board accordingly recommends the Resolution set out in item No. 5 of the accompanying Notice for members' approval by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financial or otherwise, in this resolution except to the extent of their shareholding in the Company, if any.

Annexure-A

Disclosure relating to Directors pursuant to Regulation 26(4), 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings

Name of the Director	Shri Abhishek Somany	Shri Ghanshyam Girdharbhai Trivedi
Age	49 years	74 years
Qualification	Bachelor of Business Administration from Richmond University, U.K. with specialization in Finance & Marketing	ICMA, M.Sc., L.LB
Experience	About 26 years	About 49 years
Terms and Conditions	As per the approval of Shareholders in their AGM held in the year 2017.	Not Applicable
Remuneration sought to be paid	As per the approval of Shareholders in their AGM held in the year 2017.	Commission as approved by the shareholders and considered by the Board.
Remuneration last drawn	₹ 377.56 Lacs	NIL
Date of first appointment on the Board	September 3, 2001	September 1, 2017
Shareholding in the Company	1914,093 Shares*	2000 Shares
Relationship with other Director, Manager and other KMP	Son of Shri Shreekant Somany, Chairman and Managing Director	None
Number of Board Meetings attended during the Year	5	4
Other Directorship Details	<ul style="list-style-type: none"> • Somany Bathware Limited (formerly known as Somany Global Limited) • Indian Council of Ceramics Tiles & Sanitaryware 	<ul style="list-style-type: none"> • Somany Bathware Limited (formerly known as Somany Global Limited) • Trans India Ceramics Private Limited • Yogi Cerachem Private Limited • Xphere India Foundation • Vidres India Ceramics Private Limited
Membership/ Chairmanship of Committees of other Boards	-	-

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

Corporate Information

BOARD OF DIRECTORS

Mr. Shreekant Somany

Mr. Abhishek Somany

Mrs. Anjana Somany
(Ceased to be director w.e.f. 16th June, 2021)

Mr. Salil Singhal

Mr. Ravinder Nath

Mr. Ghanshyam Girdharbhai Trivedi

Mr. Rameshwar Singh Thakur

Mrs. Rumjhum Chatterjee

Mr. Vineet Agarwal

Mr. Siddharath Bindra

CHIEF FINANCIAL OFFICER

Mr. Saikat Mukhopadhyay

GM (LEGAL) & COMPANY SECRETARY

Mr. Ambrish Julka

BANKERS

Punjab National Bank

Kotak Mahindra Bank

HDFC Bank

ICICI Bank

AUDITORS

Singhi & Co.

Chartered Accountants

REGISTERED OFFICE

2, Red Cross Place, Kolkata- 700001

CORPORATE OFFICE

F-36, Sector 6, Noida (U.P)- 201301

Phone: 0120-4627900

CIN: L40200WB1968PLC224116

WEBSITE

www.somanyceramics.com

PLANTS

Haryana

Kassar Works

P.O- Kassar-124507, Bahadurgarh

Distt. Jhajjar, Haryana

Gujarat

Kadi Works

14, G.I.D.C, Industrial Estate,

Kadi - 382715

Distt. Mehsana, Gujarat

SUBSIDIARY COMPANIES

SR Continental Ltd.

Somany Bathware Ltd.

Somany Piastrelle Pvt. Ltd.

Amora Tiles Pvt. Ltd.

Somany Sanitary Ware Pvt. Ltd.

Somany Fine Vitrified Pvt. Ltd.

Somany Excel Vitrified Pvt. Ltd.

Sudha Somany Ceramics Pvt. Ltd.

Amora Ceramics Pvt. Ltd.

Somany Bath Fittings Pvt. Ltd.

ASSOCIATE COMPANIES

Vintage Tiles Pvt. Ltd.

Acer Granito Pvt. Ltd.

Vicon Ceramic Pvt. Ltd.



SOMANY

Corporate Office

F-36, Sector 6, Noida (U.P.) - 201301

Phone: 0120-4627900

www.somanyceramics.com