



IS:15622:2006

CM/L 9829610



SOMANY

SOMANY CERAMICS LIMITED

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

CIN: L40200DL1968PLC005169

Phone: 011-28341085, E-mail: cs@somanytiles.co.in

NOTICE OF THE 47th ANNUAL GENERAL MEETING

Notice is hereby given that the 47th Annual General Meeting of the Members of Somany Ceramics Limited will be held at Lakshmi Pat Singhania Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 on Friday, the 4th September, 2015 at 10:30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt :-
 - a) the Audited Financial Statements of the Company for the financial year ended 31st March, 2015 together with the Reports of Directors' and Auditors' thereon
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2015.
2. To declare a dividend on equity shares for the financial year ended 31st March, 2015.
3. To appoint a Director in place of Shri Narayan Anand (DIN: 02110727), who retires by rotation at this Annual General Meeting and being eligible, has offered himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force); the appointment of M/s. Lodha & Co., Chartered Accountants, New Delhi, (Firm's Registration No. 301051E) as Auditors of the Company for a term of 3 years i.e., till the conclusion of 49th Annual General Meeting (AGM), which was subject to ratification at every AGM, be and is hereby ratified to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting to be held in the financial year 2016-17 on such remuneration as may be determined by the Board of Directors of the Company."

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SOMANY CERAMICS LIMITED

Works : Kassar-124 507, Distt. Jhajjar, Bahadurgarh, Haryana, India. Tel : +91-1276-223300, 241001 to 05, Fax : +91-1276-241006 / 241011.

Corporate Office : F-36, Sector-6, Noida - 201 301, Telefax. : +91-120-4627900 to 4627999, 4628000 to 4628099.

Registered Office : 82/19, Bhakerwara Road, Mundka, New Delhi-110 041, India. Tel : +91-11-28341085.

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SPECIAL BUSINESS

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

5. Appointment of Smt. Anjana Somany (DIN: 00133542), as a Director

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and all other applicable provisions of Companies Act, 2013 and the Rules made thereunder, Smt. Anjana Somany (DIN: 00133542) who was appointed as an Additional Director by the Board of Directors of the Company with effect from 24th March, 2015 and who holds office until the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member under section 160 of the Companies Act, 2013 signifying his intention to propose Smt. Anjana Somany for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

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

6. Ratification for payment of remuneration to M/s G. L. Sultania & Co., Proprietor Shri Girdhari Lal Sultania, Non-Executive Non-Independent Director appointed as a Consultant of the Company.

“RESOLVED THAT the appointment and payment of remuneration to M/s. G.L. Sultania & Co., Proprietor Shri Girdhari Lal Sultania, who is possessing the requisite qualification for rendering professional services in the matters relating to Income Tax Law, Corporate Law, SEBI Rules and Regulations, Provisions under the Listing Agreement etc., as Consultant for a period of 3 years with effect from 1st April, 2014 till 31st March, 2017 at a remuneration of Rs.6,00,000/- per annum, payable monthly/quarterly, plus applicable Service Tax and reimbursement of expenses incurred for such services be and is hereby ratified.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things as may be considered necessary to give effect to the above resolution.”

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To consider and, if thought fit, to pass with or without modification, if any, the following resolution as a **Special Resolution**:-

7. Adoption of new set of Articles of Association

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to the necessary registration approvals, consents, permissions and sanctions required, if any, by the jurisdictional Registrar of Companies, and any other appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authorities, the draft regulations contained in the Articles of Association submitted to this meeting duly initialed by the Chairman for the purpose of identification be and are hereby approved and adopted as the new Articles of Association of the Company in the place and in exclusion and substitution of the existing Articles of Association of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

Place: New Delhi
Dated: 18th May, 2015

By Order of the Board
For Somany Ceramics Limited


(Amrish Julka)

Deputy General Manager (Legal) &
Company Secretary

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NOTES:

1. A Member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on a poll, instead of himself. A Proxy need not be a member of the Company. Proxies, in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting.
2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days notice in writing is given to the Company.
3. Statement in respect of Special Business pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto and forms part of this Notice.
4. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting of the Company.
5. The Register of Contract or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting of the Company.
6. Corporate members intending to send their authorized representatives to attend the meeting are requested to send the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 19th August, 2015 to 4th September, 2015 (both days inclusive).
7. Dividend on equity shares as recommended by the Board of Directors, if declared at the meeting will be paid within 30 days from the date of declaration, to those Members whose name appears on the Register of Members of the Company as on 19th August, 2015 and in respect of shares held in the dematerialised form, to those beneficial owners whose particulars will be furnished by the Depositories on the said date for the purpose.
9. Members/Proxy holders are requested to bring their copies of Annual Report along with them at the meeting.

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10. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Company's Share Department at 2, Red Cross Place, Kolkata-700 001. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124(5) of the Companies Act, 2013 (section 205A of the erstwhile Companies Act, 1956), be transferred to the Investor Education and Protection Fund.
11. The dividend declared by the Company for the financial year 2007-08, which has remained unpaid/unclaimed is due for transfer to the Investor Education & Protection Fund (IEPF) on or after 1st October, 2015. Members are requested to note that after completion of 7 years, no claim shall lie against the said Fund or the Company for the amounts of dividend so transferred, nor shall any payment be made in respect of such claim.
12. Members are requested to write to the Company, their query (ies), if any, on the Accounts and operations of the Company at least 10 days before the meeting to keep the information ready at the meeting.
13. Members holding shares in physical form are requested to notify changes, if any, in their address and the Bank Account particulars to the Company's Registrar & Transfer Agent M/s. Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, Kolkata 700 001. Telephone No. 2248 2248, Fax No. 2248 4787.
14. Members who hold shares in dematerialized form are requested to bring their Depository ID Number and Client ID Number for easier identification of attendance at the Annual General Meeting.
15. Members having multiple folios in the same order of name(s) may inform the Company for consolidation into one folio.
16. Brief resume along with other particulars, pursuant to Clause 49 of the Listing Agreement in respect of Directors, seeking appointment/re-appointment, are given under the Corporate Governance section of the Annual Report.
17. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of saving bank account details to their respective Depository Participant(s), Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends and other entitlements instantly.

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18. Furnishing a copy of PAN Card has been made mandatory by SEBI in all the cases of transfer of shares in physical form.
19. All the documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of this Annual General Meeting of the Company.
20. The Company is providing facility for voting by electronic means (remote e-voting) to vote on the Resolutions set out in the Notice of the 47th Annual General Meeting (AGM) of the Company. The facility for voting through Ballot Paper will also be made available at the AGM and the Members attending the AGM who have not cast their votes by remote e-voting shall be able to exercise their right at the AGM through Ballot Paper. Members who have cast their votes by remote e-voting prior to the AGM, may attend the AGM, but shall not be entitled to cast their votes again. The instruction for e-voting are annexed to the Notice of the 47th AGM of the Company.
21. The Notice of the 47th Annual General Meeting and instruction for e-voting, along with the Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company/ Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by permitted mode.
22. The Financial Statements of the subsidiaries of the Company are not attached to the 47th 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 provision under the Companies Act, 2013.
23. To support the "Green Initiative", Members who have not registered their e-mail addresses are requested to register the same with RTA i.e., M/s. Maheshwari Datamatics Pvt. Ltd., or their respective Depositories, as the case may be.

By Order of the Board
For Somany Ceramics Limited

(Ambrish Julka)

Deputy General Manager (Legal) &
Company Secretary

Place : New Delhi
Dated : 18th May, 2015

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

Item No. 5

The Board pursuant to Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company and upon recommendation of the Nomination and Remuneration Committee, in terms of Section 178 of the Companies Act, 2013, at its meeting held on 24th March, 2015, appointed Smt. Anjana Somany as Additional Director of the Company with effect from 24th March, 2015, to hold office upto the date of the ensuing Annual General Meeting of the Company.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a Member along with deposit of Rs. 1,00,000/- proposing candidature of Smt. Anjana Somany for the office of Non- Executive Non-Independent Director, to be appointed as such under the provisions of Sections 149 and 152 of the Companies Act, 2013.

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

The resolution seeks the approval of members for the appointment of Smt. Anjana Somany as Non-Executive Non-Independent Director of the Company pursuant to the provisions of Section 161 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder subject however liable to retire by rotation in terms of the said Act.

In the opinion of the Board of Directors, Smt. Anjana Somany, the Non- Executive Non-Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder.

None of the Directors, Key managerial Personnel other than Shri Shreekant Somany, Shri Abhishek Somany and Smt. Anjana Somany may be deemed to be interested and/or concerned in the resolution.

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The Board recommends the resolution set forth in item no. 5 for the approval of the members.

Item No. 6

Members are aware that Shri Girdhari Lal Sultania, Proprietor of M/s. G.L. Sultania & Co., has been associated with the Company as Director since 22nd September, 1997. He holds a Bachelor Degree in Commerce and is a qualified Chartered Accountant and Company Secretary. He is consultant by profession and possesses vast knowledge and experience of Financial Restructuring, Corporate Laws and Legal Compliance.

In accordance with Clause II, sub-clause (C) of the revised Clause 49 of the Listing Agreement with the Stock Exchanges, amended vide SEBI Circular CIR/CFD/POLICYCELL/2/2014 dated 17th April, 2014, Section 197 and any other applicable provisions of the Companies Act, 2013, the Nomination and Remuneration Committee, in terms of Section 178 of the Companies Act, 2013, at their meeting held on 18th May, 2015, expressed its opinion, that Shri G.L. Sultania possesses the requisite qualifications to render consultancy services.

Upon recommendation of the Nomination and Remuneration Committee the Board of Directors had approved Consultancy Contract with M/s. G.L. Sultania & Co., Proprietor Shri Girdhari Lal Sultania on 10th October, 2014.

Besides the payment of remuneration in the professional capacity, Shri G.L. Sultania shall be entitled to receive sitting fees for attending the meetings of Board of Directors and the Committees thereof and Directors commission as paid to all Non-Executive Directors of the Company as approved vide shareholder's resolution dated 2nd September, 2013.

The Consultancy Agreement dated 10th October, 2014 is available for inspection at the Registered Office of the Company, on any working day prior to the date of the meeting during 1.00 P.M. to 4.00 P.M. and will also be available at the meeting.

Shri Sultania holds 1250 equity shares of the Company.

None of the Directors, Key Managerial Personnel or their relatives, except Shri G. L. Sultania, is deemed to be concerned or interested, financially or otherwise in the proposed resolution.

The Board recommends the resolution set forth in item No. 6 for Member's approval.

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**SOMANY****Item No. 7****Adoption of New Set of Articles**

Upon enactment of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of Association (AOA) of the Company need to be re-aligned as per the provisions of the Companies Act, 2013.

In order to make the AOA of the Company in tandem and to comply with the relevant sections/ provisions under the Companies Act, 2013 and rules made thereof, the Board of Directors at its meeting held on 18th May, 2015 proposed to replace the existing AOA of the Company by a new set of Articles. Accordingly, in lieu of amendments to various Articles in the existing AOA, it is considered prudent and desirable to adopt a new set of AOA of the Company, in substitution for, and to the exclusion of, the existing AOA of the Company. The new AOA to be substituted in place of the existing AOA is based on Table "F" of Schedule I to the Companies Act, 2013 which sets out the model AOA for a company limited by shares.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is sought for adoption of new set of AOA of the Company.

A copy of the new set of AOA of the Company proposed to be adopted together with the propose alterations would be available for inspection by the Members at the Registered office of the Company during the normal business hours on any working day, excluding Sunday, upto and including the date of ensuing Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel of the Company / their relatives are in any way concerned or interested, financially or otherwise in the Special Resolution except to the extent of their shareholding in the Company.

The Board recommends the resolution set forth under item No. 7 for member's approval.

By Order of the Board
For Somany Ceramics Limited

(Ambrish Julka)

Deputy General Manager (Legal) &
Company Secretary

Place : New Delhi
Dated: 18th May, 2015

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ATTENDANCE SLIP

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

Folio No. No. of Shares held
 Client ID DP ID

Full Name(s) of the Member/ Joint Members

1..... 2.
 3. 4.

Full Name of the Proxy if attending the Meeting

I hereby record my presence at the Forty-Seven Annual General Meeting of the Company being held on Friday the 4th September, 2015, at LakshmiPat Singhania Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 and any adjournment thereof.

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

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

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**PROXY FORM
MGT-11**

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

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

CIN: L40200DL1968PLC005169 www.somanyceramics.com

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

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

1. Name:..... Address:.....

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

2. Name:.....Address:.....

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

3. Name:.....Address:.....

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

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 47th Annual General Meeting of the Company, to be held on the Friday, the 4th September, 2015 at 10:30 a.m. at Lakshmiapat Singhania Auditorium at PHD Chamber of

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Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Resolution	Vote		
		For	Against	Abstain
Ordinary Business				
1	Adoption of:- a) Audited Financial Statements of the Company for the financial year ended 31 st March, 2015 together with the Reports of Directors' and Auditors' thereon b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31 st March, 2015.			
2	Approval of dividend for the financial year ended 31 st March, 2015			
3	Appointment of a Director in place of Shri Narayan Anand (DIN: 02110727), who retires by rotation at this Annual General Meeting and being eligible, has offered himself for re-appointment.			
4	Ratification of appointment of M/s Lodha & Co. as the Statutory Auditors of the Company and fixing their remuneration for the financial year ended 31 st March, 2016.			
Special Business				
5	Appointment of Smt. Anjana Somany (DIN: 00133542), as a Director liable to retire by rotation.			
6	Ratification for the payment of remuneration to M/s G. L. Sultania & Co., Proprietor Shri Girdhari Lal Sultania, Non- Executive Non-Independent Director appointed as Consultant of the Company.			
7	Adoption of new set of Articles of Association of the Company			

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Signed this..... day of2015

.....
Signature of Shareholder

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

Affix
Revenue
Stamp of Re.
|

Note:

1. This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. A proxy need not be a member of the Company.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the box. If you leave the For or Against or Abstain column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
4. A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. For the Resolutions, Statements and Notes, please refer Notice of the 47th Annual General Meeting of the Company.
7. Please complete all details of Member(s) in above box, before submission.

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Corporate Office : F-36, Sector-6, Noida - 201 301, Telefax. : +91-120-4627900 to 4627999, 4628000 to 4628099.
Registered Office : 82/19, Bhakerwara Road, Mundka, New Delhi-110 041, India. Tel : +91-11-28341085.
Corporate Identity Number (CIN) : L40200DL1968PLC005169



IS:15622:2006

CML 9829610



SOMANY

SOMANY CERAMICS LIMITED

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

CIN: L40200DL1968PLC005169; www.somanyceramics.com

The instructions for Shareholders voting electronically are as under

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, and Clause 35B of the Listing Agreement, the Company is pleased to provide its Members, facility to exercise their votes electronically through remote e-voting facility provided by Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility, and a Member may avail of the facility at his/her/its discretion, subject to compliance with the instructions prescribed below:

Procedure/ Instructions for remote e-voting are as under:

The voting period begins on Tuesday, 1st September, 2015 from 9.00 a.m. (IST) and ends on Thursday, 3rd September, 2015 at 5.00 p.m. (IST). During this period Shareholders of the Company, holding shares either in physical form or dematerialised form, as on the cut-off date of 28th August, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

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

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For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field. The sequence number is printed separately on the Circular letter dated 18th May, 2015, on particulars of e-voting sent with the Annual Report.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none">• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field.

- (h) After entering these details appropriately, click on "SUBMIT" tab.
- (i) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (k) Click on the EVSN for the relevant "Somany Ceramics Limited" on which you choose to vote.
- (l) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

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- (n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (q) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (r) Note for Non-individual and Custodian Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- (s) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evoting@cdslindia.com.
- (t) The voting rights of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date, 28th August, 2015.
- (u) In case of members receiving the physical copy they are advised to follow all the steps from serial no. (a) to (p).
- (v) Any person who becomes a Member of the Company after dispatch of the Notice of the 47th AGM and holding shares as on the cut-off date i.e. 28th August, 2015, may contact RTA to obtain the User ID and password to vote on the Resolutions set out in the said Notice through remote e-voting procedure.

General:

- (a) In case, Members cast their vote exercising both the options i.e. voting through electronic means (remote e-voting) and by means of Ballot Paper at the AGM, then votes casted through remote e-voting shall only be taken into

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- consideration and treated valid whereas votes casted by means of Ballot Paper at the Meeting, shall be treated as invalid.
- (b) In case of joint shareholders attending the AGM, only such joint holder who is higher in the order of the names will be entitled to vote.
- (c) The Board of Directors of the Company at their meeting held on 18th May, 2015, had appointed Mr. Pravin Kumar Drolia, Practising Company Secretary, (FCS No. 2366, CP No. 1362), Proprietor of M/s Drolia & Company, Kolkata, as the Scrutinizer to scrutinize the remote e-voting process and voting through ballot papers at the AGM in a fair and transparent manner.
- (d) The Scrutinizer, after conclusion of the voting at the AGM through Ballot Papers, first count the votes cast at the AGM and thereafter unblock the votes casted through remote e-voting in the presence of at least two witnesses not in employment of the Company and shall not later than three days of the conclusion of the AGM, make a Consolidated Scrutinizer's Report of the total votes cast in favor or against, if any and submit the same to the Chairman of the Company or a person so authorised by him in writing, who shall countersign the same and declare the results of voting forthwith.
- (e) The results declared along with the Consolidated Scrutinizer's Report shall be placed on the website of the Company i.e. www.somanyceramics.com and on the website of CDSL i.e. <https://www.evotingindia.com>. The results shall simultaneously be communicated to BSE limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.
- (f) Subject to the receipt of requisite number of votes, the Resolutions set out in the Notice of the 47th AGM of the Company, shall deemed to be passed on the date of the AGM i.e. 4th September, 2015.

SOMANY CERAMICS LIMITED

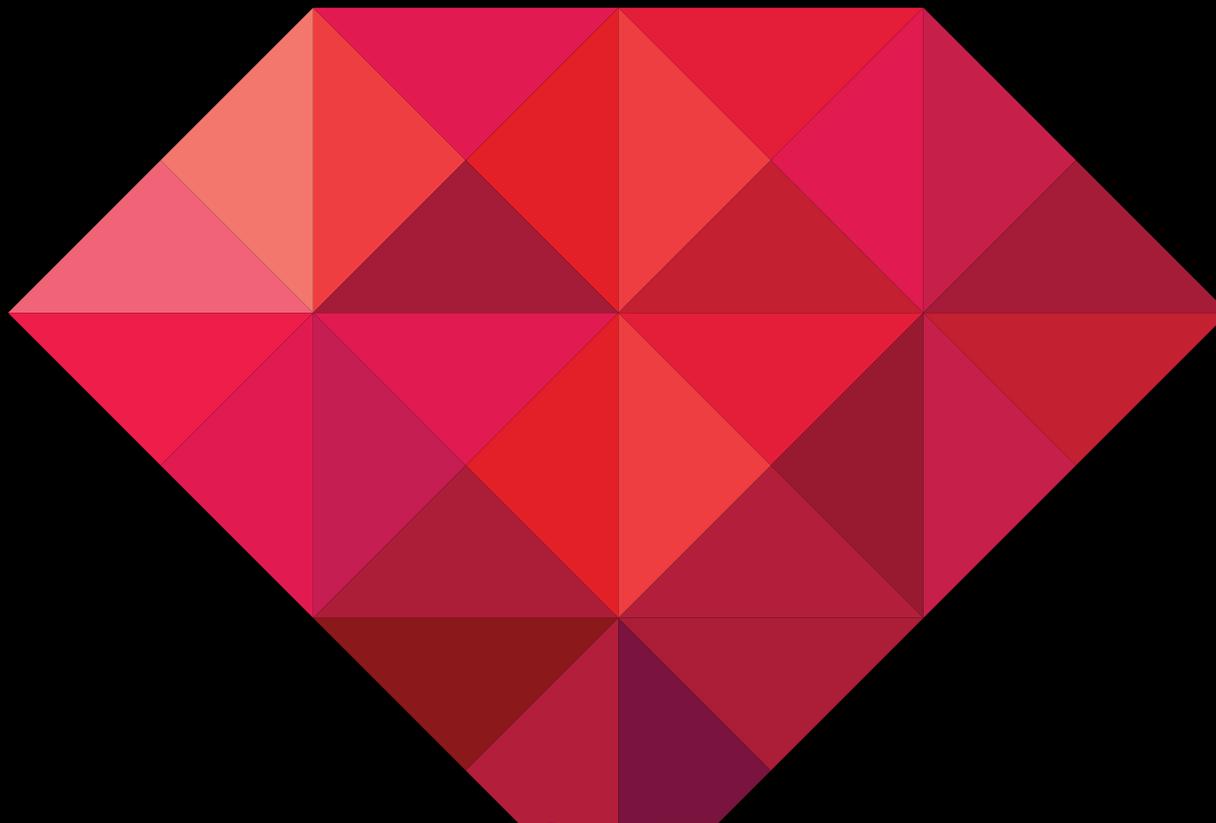
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ANNUAL REPORT
2014-15



DESIGNED TO
SHINE

SOMANY CERAMICS LIMITED

Corporate Overview

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Forward-looking Statement

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

DESIGNED TO SHINE

At Somany Ceramics, we further strengthened our business fundamentals in the year gone by. We closed the fiscal year 2014-15 (FY 15) with an increased access to ~52 msm of tile manufacturing capacity.



We expanded our retail distribution network to make brand 'Somany' available at around 10,000 customer touch points across the country. The year witnessed increased traction in our new designs, patterns and retail showrooms. To tap it all, our brand promotion drive got a fillip with the return of an aggressive, all encompassing brand campaign that connected with hundreds of millions of households. The enhanced brand salience which was duly aided with our consistent engagements, with trade facilitators such as architects, institutional buyers and dealers, went on to accelerate our growth momentum.

Our business fundamentals – an asset-light business model, research & development focus, ever strengthening design capabilities and accelerated brand promotion – bestow decisive competitive advantages for sustained leadership. The four-decade rich relationship of trust with the trade and consumers, coupled with market-leading innovations such as patented 'VC Shield' add strength to our future growth foundations. Higher level of business ethics and responsibility towards people and planet helps us access and channelize best human talent towards shared value creation.

Behind all this is a three-generation-old commitment to help Indian lives shine with best-in-class tiles and allied sanitary ware products that are made in India, made by India and made for India. Having competitively manufactured and supplied to Indian tastes and demands, our recent export thrust has led to a higher international acceptance of our product quality and aesthetics. Our focused endeavor to pursue and attain excellence in a true all-round manner has led to a corporate brand '**Somany**' that is **DESIGNED TO SHINE**.

DESIGNED TO RAISE THE BAR

Setting standards and creating trends has always been a driving force for us, at Somany Ceramics. When Indian tiles industry was at its very nascent stage, we struck limelight with an industry-defining Joint Venture with the international tiles major, Pilkington, way back in 1968.





Today, when the industry is booming with hundreds of thriving manufacturers in the unorganized segment, we are spearheading the industry's shift towards organized segment by striking symbiotic associations with ethical manufacturing partners. In a sense, we are shaping a sustainable ecosystem, which supports a larger number of enterprises to lend global competitiveness to the Indian tiles industry in a collaborative manner.

Our vision of industry leadership, then, resulted into the first R&D unit in the Indian tile industry to receive recognition from the Government of India. We became the first ceramic tile manufacturer to receive ISO 14001 certification for environment friendly manufacturing and certification by the Indian Green Building Council for eco-friendly products. Now, we are at the forefront of addressing the growing demand and alarming deficit of trained tile-fitters with an industry-leading CSR program 'Tile Master'. Our sustained efforts to hone the tile-laying skills of Indian mason is improving their livelihood, reducing tile wastage, ensuring correct tile-bearing walls and floors and aiding the growth of Indian tile industry. As a long-term business advantage, it is steadily building a large pool of loyal masons for brand Somany. In a prestigious international recognition, our 'Tile Master' program has been selected for an INFRONT Sustainability Innovation Grant Fund (SIG) of 50,000 Canadian dollars. The INFRONT Program is carried out by Mennonite Economic Development Associates (MEDA) with the financial support of the Government of Canada provided through Department of Foreign Affairs, Trade and Development Canada (DFATD).

In the year 2009, we became the first ceramic tile company in India to get a patent which was granted for glaze and process of the Veil Craft (VC) Shield technology. Our research was focused to address the need for floor tiles that remain physically and visually unchanged, even after longer exposure to higher footfalls in public place areas such as malls, airports, etc. VC tiles, since then have earned a very high reputation in the Indian market and have become a benchmark for our peers to follow. In the year gone by, the trendsetting innovation was recognized by The American Ceramic Society's **(ACerS) prestigious ACerS 2014 Corporate Technical Achievement award**.

DESIGNED TO SET TRENDS

India has witnessed a steady rise in urbanization, disposable income, middle class households and exposure to global living standards over the last decade. Consumption of tiles, consequently, has grown manifold in the recent years, quantitatively and qualitatively.





SOMANY
All New **GLOSSTRA**
India's Glossiest Tiles



SOMANY
SLIP SHIELD
Patent applied for

What was construed to be an elegant flooring option some years ago, has now become a reflection of one's taste and class. Rapid technological advancement including precision digital printing has made tiles quite a style statement.

As a leading Indian Ceramics player, we have been at the forefront of setting new trends in the Indian ceramics industry. Having steadily widened our focus to address functional advantages, we have set many a market trends such as corrosion resistance with VC tiles, skid resistance with Slip Shield tiles, bacteria resistance with Antibacterial tiles, extra gloss with Glosstra tiles and environment friendliness with Active tiles.

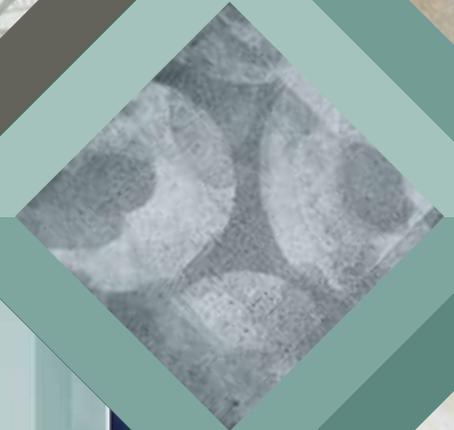
Continuing with our tradition of trend-setting innovations, we responded to the emerging customer preference of large-sized tiles with the launch of 800x1200 mm Polished Vitrified Tiles with ultra charge during the year. Available in delicate intricate patterns, the aesthetically rich tiles give a distinct marble look.

Our leadership in design and innovation was acknowledged at the Asian Brand and Leadership Summit 2014 in form of two top honors. While brand 'Somany' bagged the coveted 'Asia's Most Promising Brand' award in Building Materials category, our Joint Managing Director, Mr. Abhishek Somany was bestowed 'one of Asia's Most Promising Leaders' award. This international recognition would go a long way in deepening our market entrenchment in the Asia region and beyond.

Our promise of adding shine to customers living by adding to the positive vibrant spaces got translated in our new advertising campaign '*Zindagi ko Chamakane Do*' (Let the life shine). With the return on television, in addition to outdoor, print, digital and cinema media; we did launch one of our most aggressive brand promotion campaigns of recent times during the year. We did intensify our reach and visibility with a slew of additional branding measures across Capbooth, RWA gates, Auto-rickshaw, Umbrella etc. The campaign did lead to increased salience and demand for brand 'Somany'.

DESIGNED TO DELIGHT CUSTOMERS

With the accentuation of the digital era in India, the new-age customer is increasingly becoming expressive. From larger metropolis to the smaller tier II & III towns, the customers' selection of tiles is no more limited to basic consideration of flooring.





They treat tiles as an expression of their taste and personality and thereby demand a wider option of design, pattern and surface finish. Being aware and sensitive to functional aspects like family health and hygiene, environmental impact etc., the new-age customer is willing to pay the extra premium for value-added features that a brand offers.

At Somany Ceramics, all our innovations, designs and R&D efforts are deployed to serve customers better. In order to go closest to the customer, we have developed a wide network of franchisee Showrooms/ Display centers under three broad categories of 'Grande', 'Exclusive' and 'Studio'. Through these Showrooms/ Display centers, we don't only display and sell the range of latest products and designs but also guide customers in choosing the right variant and design. With a view to strengthen our reach among non-metro customers, we have been taking our largest retail brand 'Grande' to tier II and tier III cities. Displaying the entire range of Somany products, 3 new Grande Showrooms were opened at Raipur, Sahibabad and Lucknow during the year, while the total additions to our Showrooms/Display Centers during the year stood at 24.

~52 msm

Capacity Access

~10,000

Touch Points

DESIGNED TO SUSTAIN VALUE CREATION

We remain steadfast to sustain value creation with a clear vision and sharper execution of our strategies. Maintaining a prudent balance between our own and our partners' manufacturing capacities enables us grow in an asset-light manner. Strengthening our design and research capabilities yields global competitiveness.



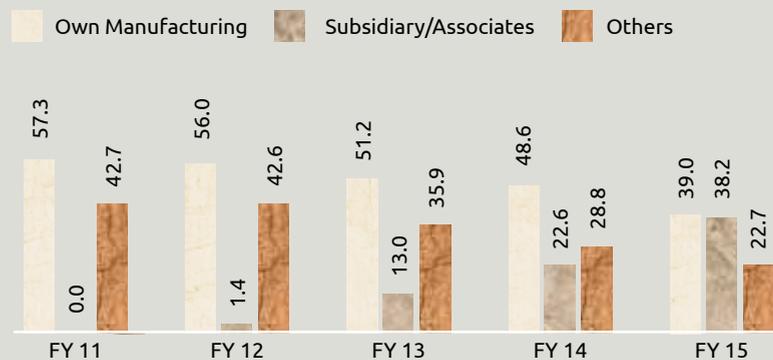


A steady expansion of allied product portfolio of sanitary ware and Bath Fittings continues to expand our visibility and also enhance profitability. With hundreds of new growth centers emerging beyond the country's metropolitan boundaries, our aggressive expansion of retail Showrooms/ Display centers in tier II and III cities augurs well for sustained revenue growth. Remaining ahead of the curve in spotting and seizing trends such as large-size tiles and tiling solutions, aptly backed with market-leading innovations such as VC Shield and Slip Shield continues to get priority at Somany Ceramics.

Keeping investing in our people – employees and distribution partners – lends strength to our future growth foundations. A sharper focus on resource efficiency – raw material, energy and capital – would further add to our competitiveness. Our customer engagement program through promotions and activation together with a high-intensity brand campaign is aimed at heightening the trust and recall quotient. Maintaining the strength of our balance sheet and cash flow positions keeps us growth ready. Export, an under-explored domain, would also be a current priority.

Striking a judicious balance between market share and yields is a key tenet of our growth strategy. While mass-market segment drives our revenue growth, the value-added tiles help us maintain higher realizations. While a larger portion of the market still remains unorganized, brand affinity continues to grow among Indian consumers. We are well poised to leverage our competitive ability to reap rich dividends from this trend.

Revenue split (in %)

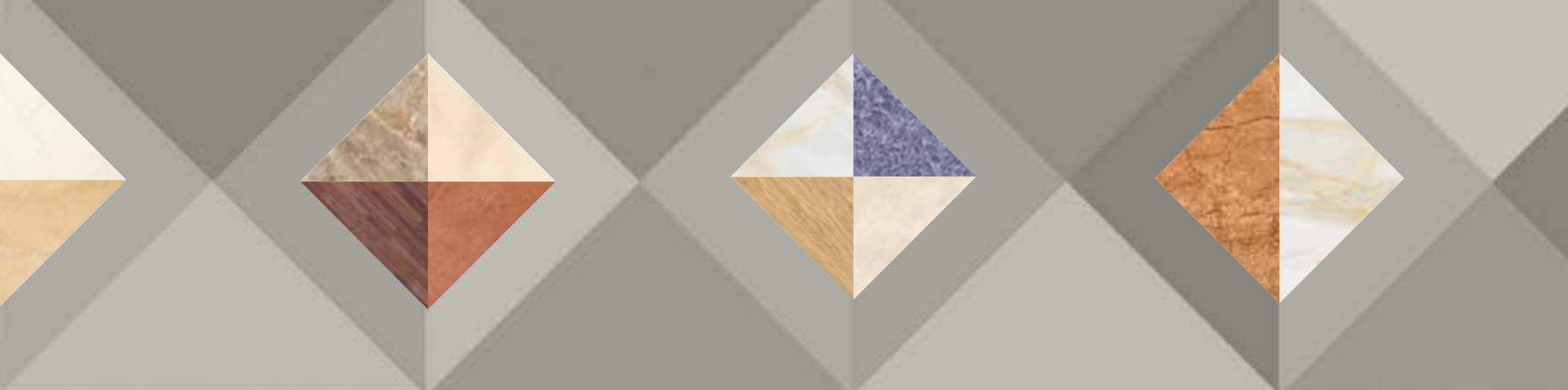


WE ARE SOMANY CERAMICS



We are India's third-largest Tiles Company with a vibrant allied portfolio of Sanitary Ware and Bath Fittings.

Our cumulative annual access to ~52 msm of tile manufacturing spans our own, our subsidiary / associates and other manufacturing partners' capacities. Spearheading innovations in product and design in the Indian Ceramics Industry for well over four decades, brand 'Somany' today has become synonymous to the best in quality, functionality and aesthetics. We offer complete Décor Solutions across niche product categories of Ceramic Wall and Floor Tiles, Polished Vitrified Tiles, Glazed Vitrified Tiles, Sanitary ware and Bath Fittings. We also offer tile-laying solutions.



PRODUCT OFFERINGS

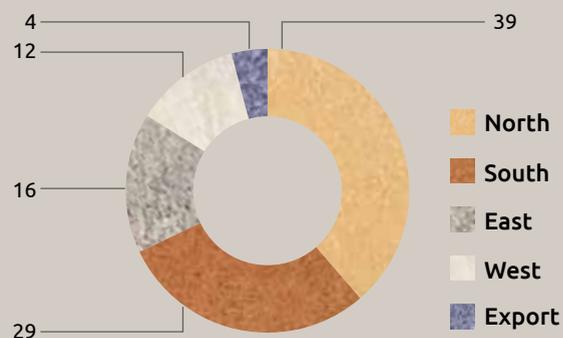
- ◆ Ceramic Tiles
- ◆ Polished Vitrified Tiles (PVT)
- ◆ Glazed Vitrified Tiles (GVT)
- ◆ Sanitary Ware & Bath Fittings

MANUFACTURING CAPACITY

Units	Product	Capacity
Own		
Kassar (Haryana)	Tiles	13.13 msm
Kadi (Gujarat)	Tiles	8.42 msm
Subsidiary/ Associates		
Amora Tiles Pvt. Ltd.	Tiles	4.58 msm
Vintage Tiles Pvt. Ltd.	Tiles	2.55 msm
Commander Vitrified Pvt. Ltd.	Tiles	4.76 msm
Acer Granito Pvt. Ltd.	Tiles	5.10 msm
Vicon Ceramic Pvt. Ltd.	Tiles	3.98 msm
Somany Sanitary Ware Pvt. Ltd.	Sanitary Ware	3.03 lacs pieces

Revenue mix by region

(in %)



FINANCIAL HIGHLIGHTS

KEY FIGURES

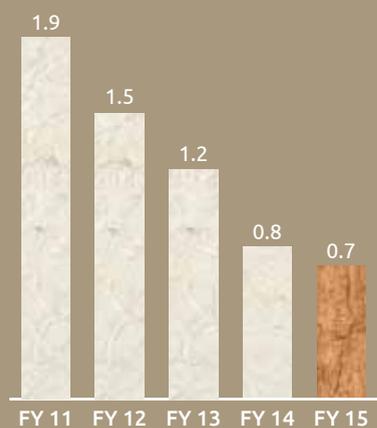
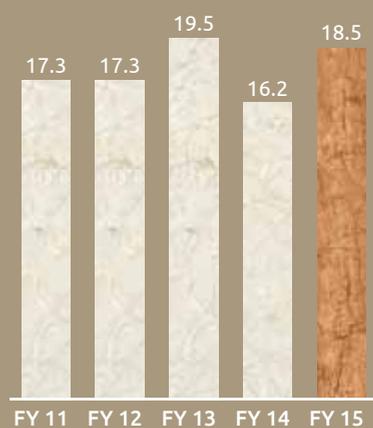
(₹ Lacs except for per share items)

PARTICULARS	FY 15	FY 14	FY 13	FY 12	FY 11
Net Sales	153,132	125,556	104,623	87,037	70,834
Other Income	1,756	685	567	394	721
Material Costs	16,997	17,017	16,576	15,318	12,746
Energy Costs	17,763	16,472	13,058	10,917	8,683
Employee Costs	9,536	8,229	7,362	6,552	5,431
Other Mfg. Admin. & Selling Expenses	100,183	76,085	59,490	47,187	37,885
EBITDA	10,409	8,438	8,705	7,456	6,810
Interest & Finance Costs	1,631	1,830	1,998	2,065	1,712
EBDT	8,778	6,608	6,707	5,391	5,098
Depreciation	2,227	2,206	2,040	1,822	1,727
PBT	6,551	4,402	4,667	3,569	3,371
Tax Expense	2,113	1,599	1,508	1,094	1,028
PAT	4,438	2,803	3,159	2,475	2,343
Share Capital	777	777	690	690	690
Reserves	24,624	21,274	14,386	11,711	9,557
Deferred Tax Liability	2,742	2,750	2,618	2,535	2,566
Loan Funds#	18,776	16,975	17,608	18,097	19,122
Gross Block (CWIP)	46,153	42,593	41,300	38,642	35,274
Net Block (Including CWIP)	23,671	21,852	20,891	19,397	17,592
Investments	2,406	2,167	920	595	172
Current Assets	54,119	45,948	39,540	32,071	29,502
Current Liabilities##	35,299	29,474	26,208	19,259	15,825
Net Current Assets	18,820	16,474	13,332	12,812	13,677
Net worth	25,400	22,051	15,076	12,401	10,247
Capital Employed	46,918	41,776	35,302	33,033	31,935
EPS(₹)*	11.43	8.01	9.16	7.17	6.79
Book Value (₹)*	65.39	56.77	43.70	35.95	29.70
Dividend (₹ per share)*	2.00	1.50	1.20	0.80	0.70
RONW (%)	18.71	15.10	22.99	21.86	25.42
ROCE (%)	18.45	16.17	19.51	17.34	17.33

including current maturities of loans

excluding current maturities of loans

*Face Value of ₹ 2/-per share

Gross Sales (₹ in Lacs)**PAT** (₹ in Lacs)**Net Worth** (₹ in Lacs)**Debt Equity** (Times)**Return on Capital Employed** (in %)**Working Capital Cycle** (Days)*

*excluding current investment

FROM THE DESK OF THE CHAIRMAN



AT SOMANY CERAMICS, WE HAVE REMAINED AT THE FOREFRONT OF THE DEVELOPMENT OF CERAMIC TILES INDUSTRY IN INDIA FOR MORE THAN FOUR DECADES. ALL ALONG, WE HAVE INTRODUCED MANY FIRSTS IN THE COUNTRY.

Dear Shareholders,

The fiscal year 2014-15 would get remembered for the revival of economic hope and optimism in Indian economy. While the world economy continued to battle out growth slowdown amid falling oil prices, India witnessed the return of a majority government at the center, after a long wait of almost three decades.

The new government's stated priority of economic development augurs well for the country. Judging by the initial focus on cleanliness through 'Swachh Bharat', job creation through 'Make in India', urban infrastructure through 'Smart City', railway modernization through 'Kaya Kalp' among others gives me a sense that the government is very thoughtfully aiming to achieve structural development that can harness progressive socio-cultural behavior among masses as a by-product. Many of these programs, once in their augmented implementation phase, would provide additional fillip to demand for the ceramic tiles industry.

Domestic tiles industry has made significant progress over the last decade and risen to make India self-sufficient to meet its growing domestic demand. The ceramic industry possesses capabilities to immensely contribute to the government's 'Make in India' mission, thereby making India a global ceramic hub while generating thousands of jobs. To realize this vision, the industry needs to step-up its R&D and cost-efficiency measures while the government shall provide encouragement for exports and protection from dumping.

The new found enthusiasm need to get translated into real economic activities which can be achieved by collaborative efforts from the federal and state governments, policy makers, regulators, financial institutions and the business enterprises. A spate of decent monsoon in FY 16, further reduction of interest rates for retail and corporate borrowers, fast paced implementation of land and labor reforms and government's continued thrust on infrastructure development can help reboot our economy in the trajectory of more than 7% of sustained growth in the near term.

Your company continued on the path of sustained, ahead-of-the-industry growth levels in the fiscal year 2014-15. We reported a volume growth of 11.8%, gross sales growth of 20.6% and net profit growth of 58.3%. Continuing with our philosophy of enabling shareholders partake growth, the board recommended an annual dividend of 100%. The Company continued to expand its access to assured capacities in an asset-light model while a significant part of management attention was devoted on marketing and brand promotion.

At Somany, we have remained at the forefront of the development of ceramic tiles industry in India for more than four decades. All along, we have introduced many firsts in the country. The year gone by witnessed two of those breakthrough initiatives getting higher international recognitions. Our patented Veil Craft (VC) Shield tiles innovation was bestowed 'Corporate Technical Achievement Award 2014' by The American Ceramic Society (ACerS). I would like to place on record our sincere appreciation to the focused efforts of the innovators of our R&D and product development teams.

Our unique CSR initiative of skilling masons on tile laying techniques christened 'Tile Master' has been selected for an INFRONT Sustainability Innovation Grant Fund (SIG) of 50,000 Canadian dollars. More than the eligibility of the grant, the feat validates your company's commitment to sustainable development of its business ecosystem by improving the livelihood capability of its most crucial stakeholder, the mason community.

As we move ahead into a future full of unexplored opportunities, I congratulate our management, staff and the distribution partners for their valued contributions in the Company's stellar performance in the year gone by. I would like to thank you, our valued shareholders, our subsidiaries, associates and other business partners, our bankers, our architect and interior designer friends – for your continued trust and patronage in Somany Ceramics. To our dear customers, I would like to reiterate that brand 'Somany' would go any distance to keep your life shining. Our promise remains... *Zindagi Ko Chamakane Do!*

With best regards,

Shreekant Somany
Chairman & Managing Director

Q&A SESSION WITH THE JMD



What were the strategic priorities of the Company for the fiscal year 2014-15?

As part of key strategic objectives, we aimed to sustain our growth momentum in terms of revenues and access capacities on the one hand. At the other, we targeted to alter the revenue-mix towards higher contributions from value-added products and also to intensify our marketing and brand promotion activities. By attempting these, we endeavored to achieve much higher sales growth than the industry average and consequently improve our profitability margins.

How did the Company fare on these set objectives?

We added ~8 msm of new capacities to expand our access to ~52 msm by the end of FY 15. We partly leveraged the expanded access capacity to deliver a volume growth of 11.8% during the year while its full benefit would get realized over coming quarters. Our focus on altering the revenue mix also resulted into increase in the value added tiles segment. Aided by this fact, we also achieved a value growth of 8.8%. Our intensified marketing and brand promotion campaign established a higher brand recall and stronger customer connect besides adding new retail points across the country. The sum total of all these was a healthy improvement of 67 bps in our net profit margins.

Do share the high points of the Company's financial performance in FY 15?

The performance highlights can be summarized in the sales growth of 20.6%, PBT growth of 48.8% and PAT growth of 58.3%. On the margin front, PBT margin improved by 77 bps while PAT margin bettered by 67 bps. We improved our leverage to 0.74x and the board of directors recommended 100% dividend for the fiscal year 2014-15. Overall, we had ample reasons to be satisfied with our performance that stood in line with our aims.

What are the key responsibility measures being undertaken by the Company?

The Company has taken various energy conservation measures like heat recovery, LED lighting, usage of energy efficient motors etc. Water and process wastages are being recycled to the maximum extent. Besides training and awareness programs to the employees the Company has been accredited with OHSAS certification for maintaining adequate health and safety standards for its workforce. The Company has been doing various employee welfare activities including health check-ups, group accidental/term insurance policies, transport facility etc. Toward community welfare the Company has been involved in training masons on tile laying skills improving their livelihood and has also recently created H.L. Somany Foundation for undertaking CSR activities.

What are the strategic priorities for the fiscal year 2015-16?

We plan to add 4 msm of new capacity to our access pool, a vast majority of which would be in our own manufacturing and in the value-added segment. This would be done in order to maintain the judicious balance between own versus partner capacities and value added versus non-value added capacities. We would further intensify our brand outreach efforts with aggressive expansion of touch points, majorly into tier II and III cities and our investment into brand promotion. Two of our nascent but promising business blocks, Exports and sanitary Ware & Bath Fittings, are headed towards ₹ 100 crore mark and we would endeavour to accelerate their march towards this milestone during the year. All these efforts shall help us maintain revenue and profit growth above the industry average.

SEGMENT OVERVIEW

CERAMIC TILES

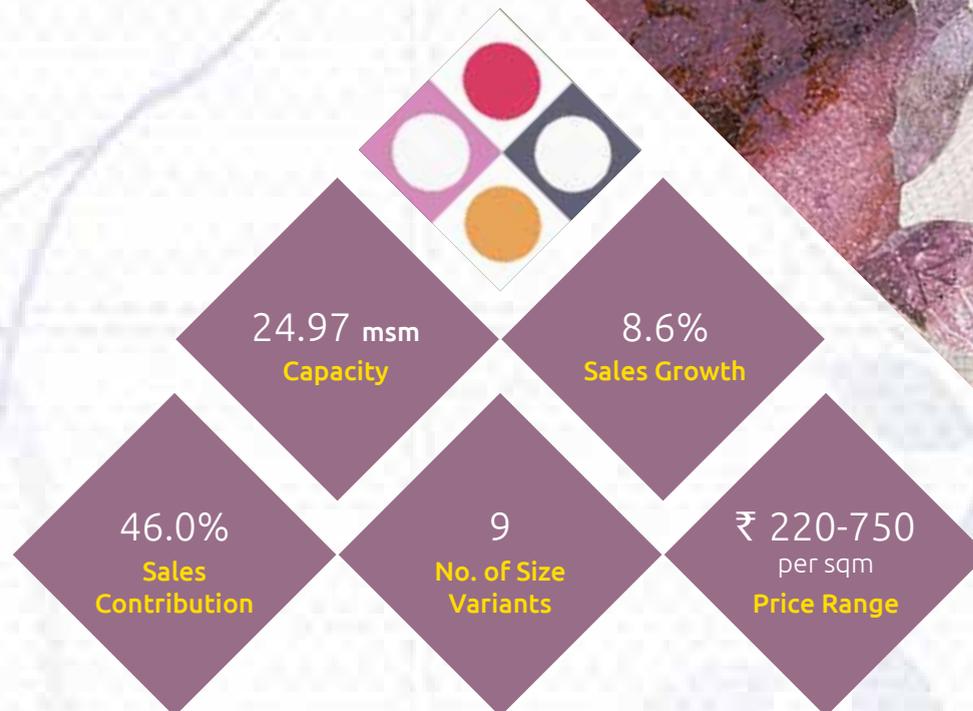
The Company manufactures a wide range of wall and floor tiles. The tiles are available in different sizes and come with the option of digitally printed. The Ceramic tiles segment contributes about 46.0% to overall sales.

Snapshot: FY 15

- ◆ Ceramic tile segment grew by 8.6% to ₹ 73,531 lacs from ₹ 67,691 lacs in the previous year
- ◆ Brownfield expansion at Kadi plant, Gujarat to produce additional 2.40 msm of ceramic tiles per annum
- ◆ Existing subsidiary, Amora Tiles Pvt. Ltd, expanded its capacity to produce additional 2.44 msm of ceramic tiles per annum

Strategy: FY 16

The Company is focused on expanding its market share through increased access to capacities.



POLISHED VITRIFIED TILES (PVT)

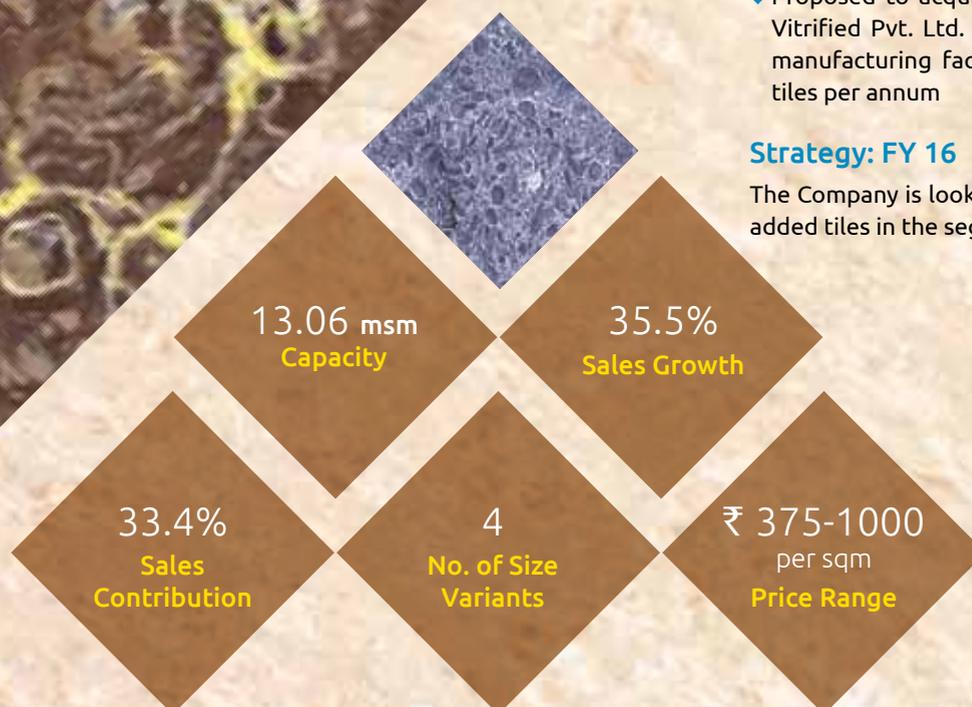
Company's polished vitrified tiles (PVT) range is christened as 'Somany Vitro' and contributes to 33.4% of the overall sales. This is the fastest growing sector among tiles. During the year under review, the Company launched 800x1200 mm PVT with ultra-charge. Available in mixed delicate patterns, the aesthetically rich product adorns a distinct marble look. The ultra-charge technology makes the tile endure abrasion while the superior look adds to the interior with a finer finish of the floor. Nano-gloss coating makes it a high reflective tile.

Snapshot: FY 15

- ◆ PVT segment grew by 35.5% to ₹ 53,345 lacs from ₹ 39,371 lacs in the previous year
- ◆ Existing Associate, Acer Granito Pvt. Ltd, expanded its capacity to produce additional 3.06 msm of polished vitrified tiles per annum
- ◆ Proposed to acquire 51% equity stake in 'Somany Fine Vitrified Pvt. Ltd. which is in the process of setting up manufacturing facility of 4.3 msm of polished vitrified tiles per annum

Strategy: FY 16

The Company is looking forward to introduce more value-added tiles in the segment.



GLAZED VITRIFIED TILES (GVT)

Somany Ceramics launched glazed vitrified tiles in 2010 with the brand name of Durgares. This segment has witnessed significant growth in last couple of years. The segment contributes to about 15.2% of overall sales.

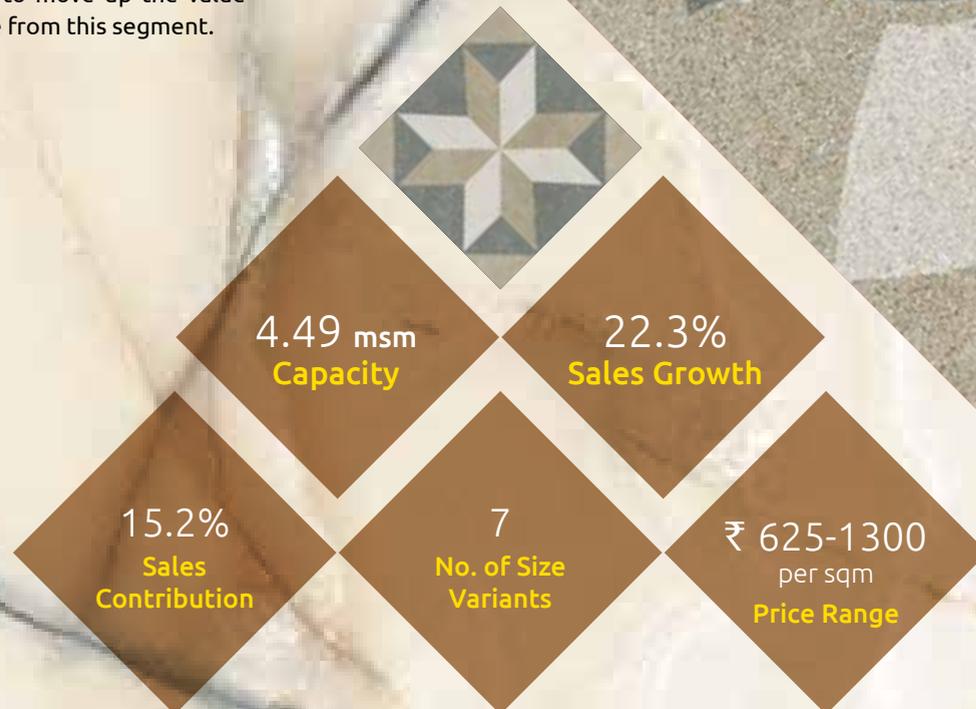
Company's glazed vitrified tiles (GVT) offer 'the most natural surfaces on tile'. The Company offers 7 different sizes of tiles, each with numerous design options in the GVT range.

Snapshot: FY 15

- ◆ GVT segment grew by 22.3% to ₹ 24,319 lacs from ₹ 19,879 lacs in the previous year
- ◆ Launched new product with special application to get the surface and design as close as to the nature having effect of like Crackle Cement, Rustic wood & Stone finished etc.

Strategy: FY 16

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



SANITARY WARE AND BATH FITTINGS

Company's recent foray into sanitary ware and Bath Fittings segment has shaped well. The segment contributes 5.0% to the overall sales of the Company.

Currently valued at ₹ 7,926 lacs, the segment is poised to clock accelerated growth duly aided by the Government of India's 'Swachh Bharat Abhiyan' initiative that aims to make the country free of open defecation.

Snapshot: FY 15

- ◆ Sanitary ware and Bath Fittings revenue grew by 59.7% to ₹ 7,926 lacs from ₹ 4,963 lacs in the previous year
- ◆ Proposed to increase the equity stake in 'Somany Sanitary Ware Pvt. Ltd.' which has an annual production capacity of 3.03 lacs pieces of sanitary ware and expansion to triplet capacity is on cards.

A Strategic Fit

- ◆ Products are sold mostly through the same dealer network
- ◆ Surrogate advertising due to higher brand visibility
- ◆ Lower outward freight
- ◆ Higher margins

Strategy: FY 16

Exploring opportunities (Joint Venture/ Greenfield) for bath fittings



3.03 lacs pcs
Capacity

59.7%
Sales Growth

5.0%
Sales
Contribution

₹ 450-12,000
per pcs
Sanitary Ware
Price Range

₹ 100-10,000
per pcs
Bath Fitting
Price Range

MANAGEMENT DISCUSSION AND ANALYSIS

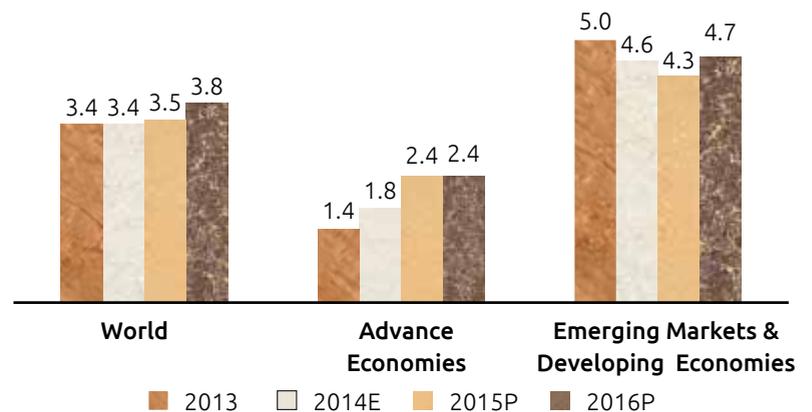


Economic Environment

The World economy in the year 2014, as per IMF's World Economic Outlook, is estimated to grow at 3.4% and the growth percentage has been same as was in 2013. The growth in the Advanced Economies (AE) has increased marginally but the Emerging Markets and Developing Economies (EMDE) has witnessed a slight fall in its growth (4.6% in 2014 vs. 5.0% in 2013). The AE has been witnessing a continuous recovery due to moderate fiscal adjustment, increase in disposable income and lower crude oil prices. IMF has projected that due to the continuous revival in US, Germany, UK etc., AE would continue to move along its growth trajectory. The GDP growth of EMDE is projected to marginally come down due to the estimated slowdown in China & Brazil. IMF has projected that the World GDP growth would marginally improve to 3.5% in 2015 and growth would further rise to 3.8% in 2016.

World GDP growth

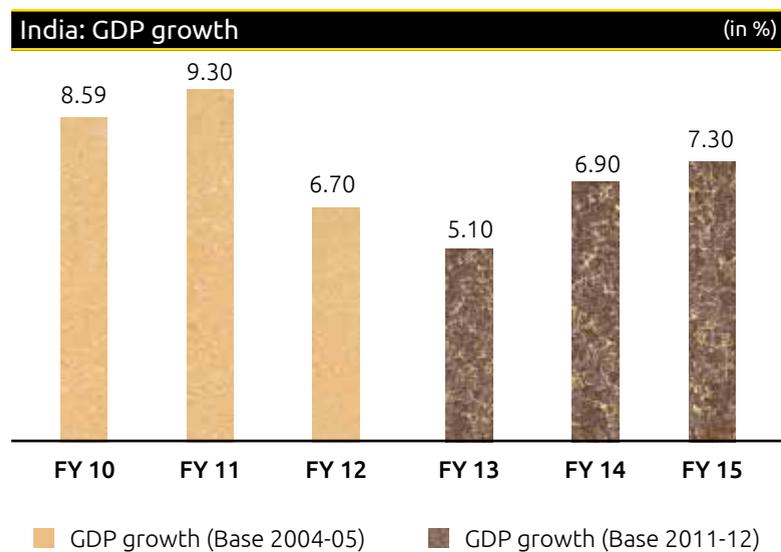
(in %)



Source: IMF's World Economic Outlook, April 2015

Indian Economy

The return of a majority government at the center and its subsequent reform and growth push, coupled with a sharp drop in crude oil prices, contained inflation and two consecutive cuts of 25 bps each in Repo Rate by the Reserve Bank of India in the last quarter of FY 15; all these factors contributed in the recovery of the Indian Economy. The Index of Industrial Production (IIP) reversed from -0.1% in the negative zone in FY 14 to 2.8% in FY 15. One key change that the country introduced in upgrading its GDP calculation was in moving the base price to 2011-12 levels in the new series. While the net effect of these structural improvements shall get reflected on the ground with a lag effect, Indian Economy recorded a GDP growth of 7.3% in FY 15.

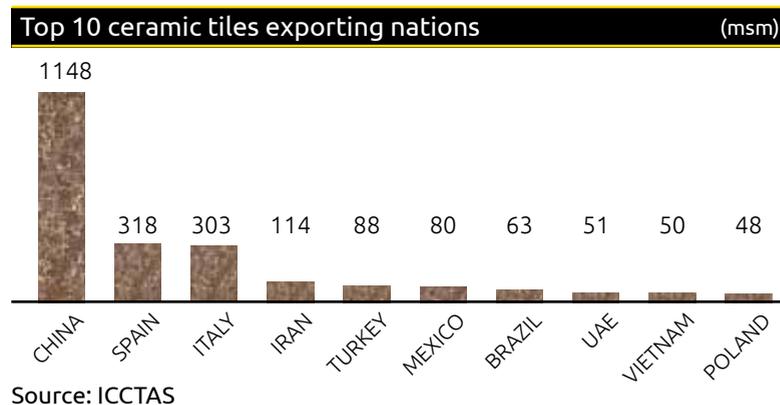
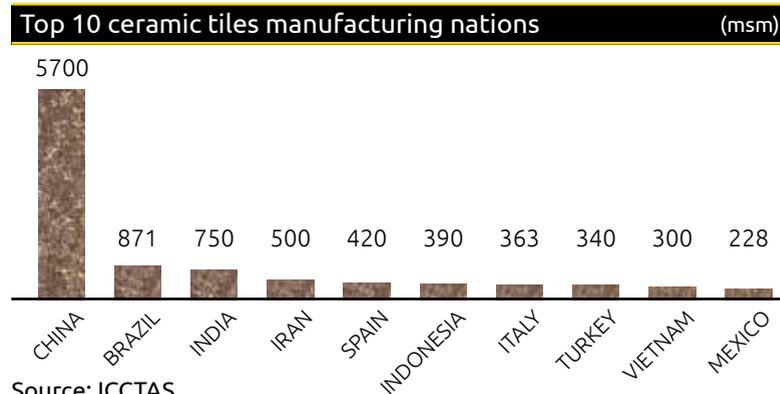


Source: CSO

Ceramic Industry

The World ceramic tiles production has been growing at a healthy rate of 8.5% CAGR over 2009 to 2013 and is estimated to have reached 11,913 msm in the year 2013. China with about 47% share in the total world ceramic tiles production, continues to remain the world's largest ceramic tiles producer, consumer and exporter. Brazil is the second largest producer with production capacity of 871 msm, followed by India at 750 msm.

In terms of exports, China is a clear leader followed by Spain and Italy. These top-three countries together contribute close to 66% to the overall world ceramic tiles exports.





With a production and consumption CAGR of ~11% over 2009 to 2013, India remains one of the fastest growing ceramic tiles market in the world. India's share in the global ceramic tiles production is continuously increasing and has reached 6.3% in 2013 from 5.7% in 2009.

Also in the year 2013 where the world's production has increased by 6.7%, India's production has grown at 8.5%. In value terms the Indian tile industry has grown at a CAGR of more than 15% over 2009 to 2013 and is estimated to have reached ₹ 215 billion in 2013. The growth has been 10.3% over the previous year 2012.

The industry was earlier highly dominated by the unorganized players based out in Gujarat. But with stringent pollution control norms by the Gujarat Pollution Control Board the industry in getting more organized. The unorganized players have started to enter into JV with the organized players assisting them in manufacturing activities. Also India is currently witnessing a change in preference towards high end polished vitrified tiles which is leading to higher demand growth for the organized players.

India has not grown much in terms of exports of ceramic tiles and currently consists of less than 0.5% of the global market. As per ICCTAS, in the year 2014 India has exported ceramic tiles of around USD 441 million. India exports ceramics to markets across Europe, Asia, US and Africa and the key export markets are UAE, Saudi Arabia and Malaysia.

Top 10 Ceramic tiles Importing Nations, 2013

COUNTRY	(msm)	%
USA	160	6.0
SAUDI ARABIA	150	5.6
IRAQ	121	4.5
FRANCE	96	3.6
NIGERIA	84	3.1
GERMANY	83	3.1
RUSSIA	80	3.0
THAILAND	68	2.5
SOUTH KOREA	65	2.4
UAE	53	2.0

Source: Ceramic World Review

Growth Drivers

Government Initiatives: The new government has initiated a number of ambitious projects such as 100 Smart Cities, Swachh Bharat Abhiyaan and Housing for All by 2022. Several policy initiatives taken by the Government to help the real estate and housing sector includes the amendment of the FDI policy, setting up of Real estate Investment trusts, increase in deduction limit on housing loan, relaxed norms for issuing long term bonds by banks for financing affordable housing etc. would act as a big push in demand for the ceramics industry in India over the coming years.

Change in demographics: The youth population in India is fast growing and it is estimated that by 2020 India will be the world's youngest country. The youth in India is becoming more brand conscious. This would lead to a shift in preference from low cost products from unorganized players to high end branded ceramic products. This would lead to better growth prospects for the organized ceramic industry.

Rapid growth in tier II & tier III cities: There is an enhanced focus from government to increase growth opportunities in tier II and tier III cities due to over-crowding in the metros. This has led to many budding new town and cities leading to increase in demand for real estate.

Rising Middle Class population: India is witnessing a growing middle class population. This budding middle class population would act as a key growth driver for the ceramic industry in India. 89 million consuming class households and 45 million first time aspirer households in India will be a major thrust for the housing sector in the next decade.

Countries with highest per Capita Consumption, 2013

COUNTRY	Population (in Crores)	Consumption (in msm) 2013	Per Capita Consumption (in sqm)
SAUDI ARABIA	3.08	235	7.6
IRAN	7.78	350	4.5
BRAZIL	20.33	837	4.1
CHINA	136.73	4556	3.3
TURKEY	7.67	226	2.9
VIETNAM	8.97	251	2.8
RUSSIA	14.61	231	1.5
INDONESIA	25.22	360	1.4
USA	31.89	230	0.7
INDIA	126.09	748	0.6

Source: Ceramic World Review

Low per capita consumption: India currently has one of the lowest per capita consumption of 0.5 sqm as against the world average of 1.4 sqm. Hence, there is a great scope of growth for the ceramic industry in India.

Increase in disposable income: Rapid industrialization and associated growth in income will propel the income level of India to those currently enjoyed by global middle income countries, will boost the industry growth. With rising disposable income in India the demand for replacement market for ceramic tiles is expected to further increase.

Falling interest rates: In the fourth quarter of FY 15 RBI has reduced repo rate by 50 bps and there are expectations that with the fall in inflation RBI may further ease the repo rate. This would lead to higher demand for the real estate sector and for the ceramic tiles industry.

Operational Review

Capacity

We have further enhanced our production capability by adding 7.90 msm capacity during the year through expansion in our own plant as well as in Subsidiary / Associate plants.

To be in line with the Government initiative on the "Make in India" concept we have expanded our capacity by 2.40 msm at our Kadi plant in Gujarat, 2.44 msm under our subsidiary Amora Tiles Private Limited and 3.06 msm under associate Acer Granito Private Ltd. The proposed subsidiary Somany Fine Vitrified is expected to commence production by September, 2015 which will add another 4 msm capacity of polished vitrified tiles.

We have also acquired equity stake in Somany Sanitary Ware Pvt. Ltd. to add 3.03 lacs pieces of sanitary ware per annum.

Sales Volume

The total sales volume during the year has increased by 11.8% from 37.88 msm to 42.35 msm. The overall share of sales from our JVs has increased significantly during the year from 22.6% in FY 14 to 38.2% in FY 15.



Branding

During the year we have significantly enhanced our branding activities and have launched TV commercials and participated in well known International trade exhibitions at Spain and Italy. We have increased our brand spend by 47.4% from ₹ 1,961 lacs in FY 14 to ₹ 2,891 lacs in FY 15.

Average Realization

During the year we have enhanced our product mix increasing the share of high value products which has led to high realization during the year. Our average realization of tiles increased from ₹ 335/- per sqm in FY 14 to ₹ 357/- per sqm in FY 15.

Exports

We have significantly enhanced our focus in exports and during the year the export sales doubled to ₹ 6,434 lacs in FY 15. We have further strengthened our position in existing markets and have entered newer markets such as Germany, Spain, Brazil, Korea, Thailand, Myanmar, Sudan etc. The key markets that we focus for exports are Europe, USA and Africa.

Dealer & Showroom network

We currently hold a vast network of dealers and showroom/display centers. We have pan India presence with 1272 active dealers and 179 showrooms/display centers.

Financial Review

Income

The gross sales stood at ₹ 159,830 lacs in FY 15 an increase of 20.6% as compared to ₹ 132,535 lacs in FY 14. The increase in sales has been due to higher sales volume and increased share of value added products.

Expenditure

Total expenditure increased by 21.9% to ₹ 148,337 lacs in FY 15 from ₹ 121,840 lacs in FY 14 mainly in line with higher scale of operation.

EBITDA

The EBITDA for the year was higher by 23.3% to ₹ 10,409 lacs as against ₹ 8,438 lacs in FY 14. The EBITDA margin for the year stood at 6.8% as against 6.7% in FY 14.

Depreciation

Depreciation for year stood at ₹ 2,227 lacs compared to ₹ 2,206 lacs in FY 14. Increase in depreciation is in line with the increase in gross block.

Finance Cost

The finance cost has decreased by 10.9% from ₹ 1,830 lacs in FY 14 to ₹ 1,631 lacs in FY 15 on account of reduction in interest rate, repayment of term loans and better utilisation of working capital limit.

Profit Before Tax

Profit before tax increased by 48.8% to ₹ 6,551 lacs in FY 15 as compared to ₹ 4,402 lacs in FY 14.

Net Profit

Net Profit was higher by 58.3% at ₹ 4,437 lacs in FY 15 compared to ₹ 2,803 lacs in FY 14.

Net Worth

Our total net worth has increased by 15.2% and stood at ₹ 25,400 lacs in FY 15 as against ₹ 22,051 lacs in FY 14.



Total Debt

Total debt stood at ₹ 18,776 lacs in FY 15 as against ₹ 16,975 lacs in FY 14.

Net Block

Net block (including capital work-in-progress) increase to ₹ 23,671 lacs in FY 15 as against ₹ 21,852 lacs in FY 14 mainly due to brownfield expansion at Kadi plant in Gujarat.

Long-term Investments

Our long-term investment stood at ₹ 2,406 lacs in FY 15 compared to ₹ 2,167 lacs in FY 14 on account of new investments made into associates.

Current Assets

Our net current assets increased to ₹ 18,820 lacs in FY 15 as against ₹ 16,474 lacs in FY 14 mainly in line with higher scale of operation.

Outlook

The macroeconomic environment in India is gradually reviving and is reflected both within the country and cross-country comparisons favourably with other countries. Also the government is taking a number of initiatives to further accelerate the growth momentum in

India. With falling inflation it is expected that RBI would further reduce the repo rate which would act as a booster for India's economic growth. The major initiatives by the government such as Housing for All, Swachh Bharat Abhiyan, 100 Smart cities would significantly add to demand. The cumulative impact of all the initiatives undertaken by the Government could be substantial in the years to come. Some of the striking initiatives include de-regulating diesel prices, move towards GST regime etc.

We are continuously enhancing our production capabilities through our asset light model and have also reduced our term debt position. This has led to further strengthening of our base and also enhancing our market serving capabilities. We have launched few large format tiles to offer a comprehensive product portfolio meeting the diverse needs of the customers. We have also increased our branding activities by way of increased presence in social media, advertisement in TV commercials which would significantly enhance our brand equity and presence. These activities along with increase in demand would lead to better growth prospects for us over the coming years.

Risks and Concerns

Economic Risk

Risk: The slowdown in the macroeconomic scenario would have a direct impact on the real estate sector and in turn the tiles, sanitary ware and bath fittings industry. Hence, changing macroeconomic environment can impact the business prospects of the Company.

Mitigation: The economic risk may not be mitigated completely but with a strong brand presence and reduced debt backed by an asset light model for growth, the impact should be minimal.

Operational Risk

Risk: Increase in input & other costs and / or decrease in product prices due to competition or otherwise may adversely impact the profitability of the Company.

Mitigation: Increasing scale of operations, continuous improvement in product mix and cost optimisation measures are on-going activities enabling the Company to sustain the profitability.

Forex Risk

Risk: The Company has exports and imports and hence fluctuation in exchange rates may have an adverse impact on the Company's profitability.



Mitigation: We continuously track the foreign exchange movements on regular basis and take necessary actions whenever feasible. We also appropriately hedge our exposure on case to case basis.

Contingent / Other Liabilities Risk

Risk: Crystallization of contingent / other liabilities including demands as mentioned in the notes to accounts may adversely affect the financial position of the Company.

Mitigation: Adequate legal / other measures are being taken by the Company to minimize the risk.

Human Resource

Somany Ceramics believes that competent human resources are the driving force for any organization that enables a company to grow in leaps and bounds. We are maintaining our human resource capital

through various development and retention programs. There is a performance excellence program and performance clinic in place, which takes care of the development needs amongst the employees. We also have retention bonus, stay interviews in place to control attrition rates. There is a complete structure of development followed for an employee by providing an open environment where the employee is provided with much needed encouragement to perform and enhance his productivity.

Internal Control Systems

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

Directors' Report

Dear Members,

Yours Directors have pleasure in presenting the 47th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2015.

FINANCIAL RESULTS

Particulars	(₹ in lacs)	
	31.03.2015	31.03.2014
Gross Revenues from Operations	160803	132946
Net Revenues from Operations	154105	125967
Other income	783	274
Profit before Interest, depreciation and tax (EBIDTA)	10409	8438
Interest and finance charges (net)	1631	1830
Profit Before Depreciation	8778	6608
Less: Depreciation	2227	2206
Profit before tax (PBT)	6551	4402
Less: Provision for tax (net)	2113	1599
Profit after tax (PAT)	4438	2803
Add: Balance brought forward	12262	10441
Surplus available for appropriation	16700	13244
Appropriations:		
Proposed dividend on equity shares	777	583
Tax on proposed dividend	158	99
Transferred to general reserve	440	300
Balance Carried to balance sheet	15325	12262
Total	16700	13244

FINANCIAL REVIEW

During the year under review, your company once again performed well despite continuing slowdown in the real estate sector adversely affecting building material industry including tiles.

Keeping in with its tradition of growing above the industry average, this year also your company outperformed average industry growth rate by growing its net sales by 21.97% achieving a 5 years' CAGR of 23.32%.

Overall net revenues increased to ₹154105 lacs in the year under review registering a growth of 22.34% over corresponding previous year. The Earnings before Interest, Depreciation and Tax (EBIDTA), Profit before Tax (PBT) and Profit after Tax (PAT) also increased significantly during FY15 year by 23.36%, 48.82% and 58.33% respectively.

DIVIDEND

Your Directors are pleased to recommend a dividend of 100% on equity shares at ₹2/- per share (face value of ₹2/- each) for the year under review as against 75% at ₹1.50 per share in the previous year. This represents a payout ratio of 21.07%.

CORPORATE HIGHLIGHTS

Capacity Expansions

During the year under review, Your Company added access to 7.90 million square meters of tiles as follows:

- Expanded own ceramic tiles capacity at Kadi (Gujarat) Plant by 2.40 million square meters per annum.
- Amora Tiles Private Limited, a subsidiary company expanded ceramic tiles capacity by 2.44 million square meters per annum in November 2014.
- Acer Granito Private Ltd., an existing associate company expanded polished vitrified tiles capacity by 3.06 million square meters in October 2014.

Post expansion as above, own tile manufacturing capacity increased from 19.15 million square meters to 21.55 million square meters per annum, subsidiary / associates' tile manufacturing capacities increased from 15.47 million square meters to 20.97 million square meters per annum at the end of year under review. In addition, your company has access to about 9.0 million square meters of tiles through other vendors.

The aggregate access to capacity is about 51.52 million square meters at the end of final year under review.

In addition to above, the Board of Directors of your company approved expansion of Kassar (Haryana) Plant capacity by 4.00 million square meters to produce glazed vitrified / ceramic floor tiles.

Exports

During the year under review, exports of your company increased to ₹6434.35 lacs, a growth of 201% over the previous year. The exports covered 10 new countries during this year. With this your company is currently exporting to more than 40 countries.

Capital Expenditure

Your Company continued to invest significantly in expanding and upgrading its plant and machinery and infrastructure. During the year under review the gross block increased by ₹4693.56 lacs (previous year ₹4117.53 lacs) out of which ₹2973.35 lacs were invested in expansion of Kadi plant as mentioned earlier and remaining on meeting routine capital expenditure requirements.

Branding and Distribution

Your company followed a comprehensive plan for its communication and reached out through the medium of TV commercials, print, trade shows, exhibitions, retail showrooms complemented with an upgraded visual merchandising. The TV commercial was aired on most of the TV channels and helped create a new persona of our products.

During the year your company also participated in prestigious international and national exhibitions namely CERSAI at Bologna (Italy), MosBuild at Moscow (Russia) and ACETECH at Delhi, Mumbai and Bangalore.

Your company also released new ads for product categories like Duragres, Vitro and Glosstra; considering the latest trends in market and to further strengthen our brand positioning as a young, trendy and vibrant brand. The media plan had an equal inclination towards trade and lifestyle magazines.

Your company also organised the second edition of 'Architecture & Design Summit 2014' to applaud the creativity in architecture and design which took place in conjunction with Economic Times.

Enhanced brand exposure through a refurbished website, Visualization Software and updated presence on social media platforms is also helping gain a lot of mileage.

INDUSTRY SCENARIO AND OUTLOOK

Like other building materials, the fortunes of tile industry are also linked with the performance of real estate sector in India. While the year under review was slow to moderate in terms of ground activity in Real Estate, there are positive indicators towards end of the year which could be potential game changers for the Real Estate Industry going forward. This in turn would spur growth of tile industry also.

The Indian ceramic tile industry is the third largest globally after China and Brazil yet with the lowest per capita consumption.

Tiles industry volumes have a positive correlation with India's GDP at 1.5 x for past few years. With GDP expected to grow faster, tiles industry is expected to continue to grow in double digits. Government policies such as Housing for all & Smart cities, the rapid urbanization, rising disposable income, commercial, infrastructure and replacement demand would continue to ensure robust growth of tile industry.

Large ad spends, premiumisation and design innovations backed by change in perception towards tiles as lifestyle product will ensure higher than industry growth rates for branded players like your company.

The profit margins of the industry continued to remain under pressure due to inability on the part of industry to fully pass on the cost burden to end consumer due to severe competition.

UTILISATION OF PROCEEDS ON ISSUE OF SHARES

Out of ₹5000.00 lacs raised through private placement of equity shares to Latinia Limited in February, 2014, the Company has so far utilized ₹2650.00 Lacs (including Issue Expenses of ₹145.94 lacs) for the purposes for which the same were raised. The balance ₹2350.00 lacs remain temporarily invested in Bonds / Debts scheme of Mutual Funds.

PUBLIC DEPOSITS

Your Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013.

SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES

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

M/s Somany Global Limited, another wholly-owned subsidiary company continued its operations of selling imported and other high-end tiles and sanitary ware through its two show rooms named 'SOMANY GLOBAL'.

M/s Amora Tiles Private Limited (ATPL), a subsidiary company in which the Company owns 51% equity shareholding has a manufacturing facility to produce 4.58 million square meters of wall tiles per annum.

There are four associate companies having aggregate capacity to manufacture 16.39 million square meters of tiles. There is one associate company which is in the process of setting up a manufacturing facility to produce 4.29 million square meters of tiles per annum which is expected to commence production in current financial year 2015-16.

In addition there is one associate company which has a manufacturing facility to produce 3 lacs pieces of sanitary ware per annum.

The Annual Report does not contain the financial statements of Subsidiary Companies pursuant to circular no. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs. However, financials of such Subsidiary Companies have been considered in the Consolidated Financial Statements of the Company for the period under review and provided in this Annual Report. The Board of Directors hereby undertakes that the audited accounts and related information of subsidiary companies, where applicable, will be made available upon request. The said documents will also be available for inspection during business hours at registered office of the Company as well as at the registered office of the subsidiary Companies.

The statement required under Section 134 of the Companies Act, 2013 in respect of the subsidiary companies is provided at **Annexure 1** to this report.

There was no business activity in M/s Somany Keraben Private Limited, a 50:50 joint venture between your company and M/s Keraben Grupo S.A. (Formerly known as M/s Keraben S.A.).

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.

Related Party Transactions Policy as approved by the Board has been uploaded on the Company's website www.somanyceramics.com at the web link: <https://www.somanyceramics.com/wp-content/uploads/2015/06/Related-Party-Transaction-Policy.pdf>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in this Annual Report.

RISK MANAGEMENT

The Company has adopted the measures concerning the development and implementation of a Risk Management Policy in terms of Section 134(3)(n) of the Companies Act, 2013 after identifying the elements of risks which in the opinion of the Board may threaten the very existence of the Company itself. The Company has an elaborate Risk Management process of identification, assessment and prioritisation of risk followed by coordinated efforts to minimise, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximise the realisation of opportunities. The Risk Management procedure is reviewed by the Audit Committee from time to time, to ensure that the executive management controls risks through means of a properly defined framework. Major risks identified are systematically addressed through mitigating actions on a continuing basis. Some of the identified risks relate to competitive intensity and cost volatility.

INVESTOR EDUCATION & PROTECTION FUND (IEPF)

The Company is required to transfer dividends which have remained unpaid/ unclaimed for a period of seven years to the IEPF established by the Central Government. Hence, the Company shall on 1st October, 2015 transfer the unpaid/ unclaimed dividend for the year ended 31st March, 2008 to IEPF.

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.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (b) The directors' have 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, 2015 and of the profit of the Company for that date.

- (c) The directors have 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 have prepared the annual accounts on a going concern basis.
- (e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) The Directors have 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 Clause 32 of the listing agreement with the stock exchanges, the consolidated financial statements have been prepared in accordance with applicable Accounting Standards. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

The consolidated net profit of your company was ₹4639 lacs in the year under review compared to ₹2887 lacs in the corresponding previous year.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Sections 149, 152, 161 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mrs. Anjana Somany was appointed as an Additional Director on Board of the Company with effect from 24th March, 2015. Mrs. Anjana Somany is related to Mr. Shreekanth Somany, Chairman and Managing Director of the Company and Mr. Abhishek Somany, Joint Managing Director of the Company. Her appointment as Director on the Board of Directors of the Company will be subject to approval of shareholders in the ensuing Annual General Meeting of the Company, liable to retire by rotation. A notice in writing was received from a Member along with requisite deposit under Section 160 of the Companies Act, 2013 proposing candidature of Mrs. Anjana Somany for the office of regular Director.

Mr. Narayan Anand retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

Mr. R. L. Gaggar, who retired by rotation, at 46th Annual General Meeting of the Company held on 4th September, 2014, did not seek for re-appointment. The Board placed on record its appreciation for the valued contribution made by him, in the various deliberation and discussions and guidance during his association with the Company.

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 the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

BOARD EVALUATION

Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the Board evaluation framework. Clause (p) of sub-clause 3 of Section 134 of the Companies Act, 2013, states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and the Directors individually. Schedule IV to the Companies Act, 2013, states that the performance evaluation of Independent Directors shall be done by the entire Board excluding the Directors being evaluated. Performance evaluation was made by the Board on the various parameters and criteria's governing performance of the Board and that of its committees and Directors and the same was taken on record.

EVALUATION CRITERIA

The Committee shall review the performance of every Director on the basis of the criteria laid down by the Committee as detailed below for evaluation of performance and submit its report to the Board.

Criteria for Evaluation of Independent Director and the Board:

The Independent Directors and the Board shall be 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 bona fide 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 and the Committees;
- (i) 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 to 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 shall also be evaluated on the basis of Targets / Criteria met by them, as given by the Board from time to time.

NOMINATION AND REMUNERATION POLICY

The Company's Policy on Directors appointment and remuneration as required by Section 134(3)(e) of the Companies Act, 2013 and Clause 49 of the Listing Agreement is stated in the Corporate Governance Report, forming part of this Report.

MEETINGS OF THE BOARD

Six meetings of the Board of Directors were held during the year the details of which are given in the report on Corporate Governance of this Annual Report.

AUDIT COMMITTEE

The Audit Committee comprises Independent Directors namely Mr. R.K. Daga (Chairman), Dr. Y.K. Alagh, Mr. Salil Singhal and Mr. G.L. Sultania. All the recommendations made by the Audit Committee were accepted by the Board.

AUDITORS

M/s. Lodha & Company, Chartered Accountants, Statutory Auditors of the Company, having Firm Registration No. 301051E, were appointed as Statutory Auditors for a period of 3 (three) consecutive years at the 46th Annual General Meeting (AGM) held on 4th September, 2014, to hold office till the conclusion of the 49th AGM of the Company, subject to ratification of their appointment at every AGM, in terms of the first proviso to Section 139 of the Companies Act, 2013 read with Rule 3(7) of Companies (Audit and Auditors) Rules, 2014.

In this regard, the Company has received a letter from the Auditors conforming that they are eligible for appointment as Auditors of the Company under Section 139 of the Companies Act, 2013 and meet the criteria for appointment specified in Section 141 of the said Act.

Based on the recommendations by the Audit Committee, the Board of Directors of the Company recommend the ratification of appointment of M/s. Lodha & Company, Chartered Accountants, Statutory Auditors of the Company, having Firm Registration No. 301051E as Statutory Auditors of the Company by the Shareholders at the ensuing AGM.

CORPORATE GOVERNANCE

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

SECRETARIAL AUDITOR AND THEIR REPORT

The Board had appointed M/s Drolia & Company, Practicing Company Secretaries having Certificate of Practice No. 1362, to conduct Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as **Annexure 2** to this Report.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as **Annexure 3** to this report

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at the link: <https://www.somanyceramics.com/wp-content/uploads/2015/07/SCL-Corporate-Social-Responsibility-Policy.pdf>

A Section 8 Company under the Companies Act, 2013 was incorporated with the name M/s H.L. Somany Foundation to carry out the Corporate Social Responsibility activities of the Company. The Foundation came into being on 2nd March, 2015. The Company would also undertake other need based initiatives in compliance with Schedule VII to the Act.

The 2% of the average net profit of the company made during the three immediately preceding financial years comes out to be ₹96.84 Lacs. A report on CSR activities is provided at **Annexure 4** to this report.

INTERNAL CONTROL SYSTEMS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, no reportable material weakness in the design or operation were observed.

HUMAN RESOURCE

At Somany, employees are considered as our biggest assets and we significantly invest in training and development of all our resources. We nurture our talent pool with enhancing their skills and leadership capabilities. We articulate a career path for our employees and follow a policy of growing leaders within the Company. We provide a very conducive work environment with opportunities for all to grow. These initiatives help us to attract and retain good quality talent.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company has Whistle Blower Policy in terms of the Listing Agreement which works as Vigil Mechanism. Protected disclosures can be made by a whistle blower through an e-mail, or a letter to a task force referred in the Policy.

The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

PARTICULARS OF EMPLOYEES

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 and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annexure Forming part of the Annual report.

Disclosures pertaining to the remuneration and the 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 in the **Annexure 6** forming part of the Annual Report.

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

The Company has a Policy on Prohibition, Prevention 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 (Prohibition, Prevention and Redressal) Act, 2013".

Up till date, the Company has not received any complaint under the Policy.

OTHER DISCLOSURES

- I. There has been no change in the Share Capital of the Company for the year under review.

- II. Business Responsibility Report as per Clause 55 of the Listing Agreement with the Stock Exchange, describing the initiatives taken by Company from an environmental, social and governance perspective is not applicable to the Company, as per SEBI Circular CIR/CFD/DIL/8/2012, dated 13th August, 2012.
- III. There were no significant material orders passed by the Regulators / Courts during the financial year 2014-15 which would impact the going concern status of the Company and its future operations.
- IV. 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.

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

Place: New Delhi
Dated: The 18th day of May, 2015

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 Global Ltd.	Amora Tiles Pvt. Ltd.
Reporting period	31.03.2015	31.03.2015	31.03.2015
Share Capital	18.50	50.00	1040.00
Reserves & surplus	235.97	18.39	43.80
Total assets	359.27	103.41	4580.05
Total liabilities (Excluding Share Capital and Reserves)	104.80	35.02	3496.25
Investments	40.91	15.00	0.00
Turnover	603.68	234.09	7898.62
Profit before taxation	(42.19)	24.08	277.55
Provisions for taxation	(1.29)	5.57	100.80
Profit after taxation	(40.90)	18.51	176.75
Proposed Dividend	0.00	0.00	0.00
% of shareholding	100%	100%	51%

A Section 8 Company under the Companies Act, 2013 was incorporated on 2nd March, 2015 under the name and style M/s H.L.Somany Foundation to carry out the Corporate Social Responsibility activities of the Company. The Company would also undertake other need based initiatives in compliance with Schedule VII to the Act.

Part B: Associates and Joint Ventures

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

(₹ in Lacs)

Name of the associates/ joint ventures	Acer Granito Pvt. Ltd.	Commander Vitrified Pvt. Ltd.	Somany Fine Vitrified Pvt. Ltd.	Somany Sanitary Ware Pvt. Ltd.	Vicon Ceramic Pvt. Ltd.	Vintage Tiles Pvt. Ltd.	Somany Keraben Pvt. Ltd.
Latest audited balance sheet date	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015
Shares of associate/ joint ventures held by the company on the year end	1,460,000	3,250,000	2,000,000	415,765	1,885,000	2,340,000	773,000
Amount of investment in associates / joint venture	511.00	325.00	200.00	56.91	188.50	503.10	77.30
Extend of Holding %	26.00%	26.00%	26.67%	44.61%	26.00%	26.00%	50.00%
Description of how there is significant influence	Section 2(6)	Section 2(6)	Section 2(6)	Section 2(6)	Section 2(6)	Section 2(6)	Section 2(6)
Reason why the associates/ joint venture is not consolidated	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Net worth attributable to Shareholding as per latest audited Balance Sheet	424.99	491.74	200.03	(2.93)	171.19	348.96	(9.39)
Profit/ (Loss) for the year	83.98	376.26	0.00	(26.53)	(58.11)	154.66	(0.35)
a) Considered in Consolidation	21.83	97.83	0.00	(11.84)	(15.11)	40.21	(0.18)
b) Not considered in consolidation	62.15	278.43	0.00	(14.69)	(43.00)	114.45	(0.17)

Place: New Delhi
Dated: The 18th day of May, 2015

Amrish Julka
DGM (Legal)
& Company Secretary

Abhishek Somany
Joint Managing Director

Shreekant Somany
Chairman & Managing Director

Annexure -2

Secretarial Audit Report Form No. MR-3 For The Financial Year Ended 31st March, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members,
Somany Ceramics Limited
82/19, Bhakerwara Road, Mundka
New Delhi -110041

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S 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 my opinion there on.

Based on our verification of the SOMANY CERAMICS LIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 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 return filed and other records maintained by Somany Ceramics Limited ('the Company') for the financial year ended on 31st March, 2015 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;
- (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009;
 - (d) 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;

[The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992(SEBI Act')are not applicable to the Company for the financial year ended 31-03-2015:-

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;]
- (vi) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- (vii) Employees State Insurance Act, 1948
- (viii) Employers Liability Act, 1938
- (ix) Environment Protection Act, 1986 and other Environmental Laws
- (x) Equal Remuneration Act, 1976
- (xi) Factories Act, 1948
- (xii) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003
- (xiii) Indian Contract Act, 1872
- (xiv) Income Tax Act, 1961 and Indirect Tax Laws
- (xv) Indian Stamp Act, 1999
- (xvi) Industrial Dispute Act, 1947
- (xvii) Maternity Benefits Act, 1961
- (xviii) Minimum Wages Act, 1948
- (xix) Negotiable Instruments Act, 1881
- (xx) Payment of Bonus Act, 1965
- (xxi) Payment of Gratuity Act, 1972
- (xxii) Payment of Wages Act, 1936 and other applicable Labour Laws

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered in to by the Company with NSE and BSE;

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive

Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

The Company has not appointed Chief Financial Officer (CFO) under the category of Key Managerial Personnel as required under Section 203 of Companies Act, 2013 during the period under audit. We have been informed by the management that efforts are being made to comply with the provisions of the Act.

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, the Company has not made any:

- (i) Public / Right / Preferential issue of Shares / Debentures / Sweat Equity or any other Security.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger / Amalgamation / Reconstruction etc.
- (v) Foreign technical collaborations.

FOR DROLIA & COMPANY
(Company Secretaries)

Pravin Kumar Drolia
(Proprietor)
FCS:2366
CP No.:1362

Place: 9, Crooked Lane, Kolkata-700069
Date: 16-05-2015

Annexure -3

Form No. MGT-9
Extract of Annual Return

as on the financial year ended on 31st March, 2015

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2015]

Sl. No.	Particulars	Attachment
I	REGISTRATION AND OTHER DETAILS	
i.	CIN	L40200DL1968PLC005169
ii.	Registration Date	20 th January, 1968
iii.	Name of the Company	Somany Ceramics Limited
iv.	Category / Sub-Category of the Company	Public Company / Limited by Shares
v.	Address of the Registered office and contact details	82/19, Bhakerwara road, Mundka, New Delhi-110 041 Tel: +91 11 28341085 E-mail: cs@somanytiles.co.in Website: www.somanyceramics.com
vi.	Whether Listed Company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent	Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor Kolkata – 700 001 Phone No. 033-2243 5809/ 2243 5029, Fax No. 033-2248 4787 E-mail: mdpldc@yahoo.com
II	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY All the business activities contributing 10% or more of the total turnover of the company shall be stated	As per Attachment 'A'
III	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES	As per Attachment 'B'
IV	SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)	
i.	Category-wise Share Holding	As per Attachment 'C'
ii.	Shareholding of Promoters	As per Attachment 'D'
iii.	Change in Promoters' Shareholding	As per Attachment 'E'
iv.	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment 'F'
v.	Shareholding of Directors and Key Managerial Personnel	As per Attachment 'G'
V	INDEBTEDNESS Indebtedness of the Company including interest outstanding / accrued but not due for payment	As per Attachment 'H'
VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	
A	Remuneration to Managing Director, Whole-time Directors and / or Manager	As per Attachment 'I'
B	Remuneration to other directors	As per Attachment 'J'
C	Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD	As per Attachment 'K'
VII	PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES	As per Attachment 'L'

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

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

Sl. No.	Name and Description of main products/ services	NIC Code of the product/ service *	% to total turnover of the company #
1	Ceramic / Vitrified Wall & Floor Tiles	3209	94.6%

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

On the basis of Gross Turnover

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

Sl. No.	Name of Company	Address of Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1.	SR Continental Limited	2, Red Cross Place, Kolkata-700001	U55101WB1979PLC032095	Subsidiary	100%	2(87)ii
2.	Somany Global Limited	82/19, Bakerwara Road, Mundka, New Delhi-110041	U51909DL2006PLC156990	Subsidiary	100%	2(87)ii
3.	Amora Tiles Private Limited	SR NO. 167/1 P1, Sartanpar Road, Tal. Wankaner Sartanpar-363622, Gujarat	U26933GJ2013PTC075379	Subsidiary	51%	2(87)ii
4.	Acer Granito Private Limited	Survey No. 641/P-1, B/H Regency Sanitaryware, Lakdhirpur Road, Tal. Morbi Ghuntu-363642, Gujarat	U26914GJ2008PTC053525	Associate	26%	2(6)
5.	Vintage Tiles Private Limited	Survey No. 56, NazarBaug Road, Behind Science College, Morbi-363642, Gujarat	U26933GJ2010PTC062196	Associate	26%	2(6)
6.	Commander Vitrified Private Limited	S.NO. 70, B/H Landgrace Ceramic, Tal. Wankaner, Sartanpur-363622, Gujarat	U26933GJ2011PTC065693	Associate	26%	2(6)
7.	Vicon Ceramic Private Limited	S.NO. 154/P2, B/H Vivanta Ceramic, Tal. Morbi, Bela Rangpar-363642, Gujarat	U26933GJ2013PTC075377	Associate	26%	2(6)
8.	Somany Sanitary Ware Private Limited	S.No. 136 P1 & 138/3, Village Vaghasiya, Tal. Wankaner, Vaghasiya,-363622, Gujarat	U26915GJ2012PTC070115	Associate	44.61%	2(6)
9.	Somany Fine Vitrified Private Limited	Plot No. 16, "Jay Jivan", Swastik Co-Op Housing Society, Sanala Road, Opp. New Bus Stand, Morbi-363641, Gujarat	U26933GJ2011PTC063535	Associate	26.67%	2(6)
10.	Somany Keraben Private Limited	6, Jain Bhawan 12, Bhagat Singh Marg New Delhi- 110001	U93094DL2007PTC159142	Joint Venture	50.00%	2(6)

ATTACHMENT- C

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	3125465	-	3125465	8.04	3125465	-	3125465	8.04	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	18713895	-	18713895	48.18	18713895	-	18713895	48.18	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	21839360	-	21839360	56.22	21839360	-	21839360	56.22	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	21839360	-	21839360	56.22	21839360	-	21839360	56.22	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	678328	-	678328	1.75	1193074	-	1193074	3.07	75.88%
b) Banks / FI	-	10030	10030	0.03	3170	10030	13200	0.03	31.61%
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	2077876	-	2077876	5.35	2248142	-	2248142	5.79	8.19

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	2756204	10030	2766234	7.12	3444386	10030	3454416	8.89	24.88 %
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1236059	37510	1273569	3.28	1091201	36760	1127961	2.90	(11.43%)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lac	3317626	822305	4139931	10.66	3090667	737485	3828152	9.86	(7.53%)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lac	3135681	-	3135681	8.07	2898839	-	2898839	7.46	(7.55%)
c) Others (specify)									
(i) Foreign Companies	5605326	-	5605326	14.43	5605326	-	5605326	14.43	-
(ii) Non-Resident Individual	59570	-	59570	0.15	48346	-	48346	0.13	(18.84%)
(iii) Trusts	11300	-	11300	0.03	33498	-	33498	0.09	196.44%
(iv) Clearing Member	13855	-	13855	0.04	8928	-	8928	0.02	(35.56%)
Sub-total (B)(2):-	13379417	859815	14239232	36.66	12776805	774245	13551050	34.89	(4.83%)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	16135621	869845	17005466	43.78	16221191	784275	17005466	43.78	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	37974981	869845	38844826	100	38060551	784275	38844826	100	-

ATTACHMENT- D

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

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	No. of Shares held at beginning of the year i.e. 01.04.2014			No. of Shares held at the end of the year i.e. 31.03.2015			% Change in Shareholding during the year
		No. of Shares	%of total Shares of the Company	%Shares Pledged / encumbered to total shares	No. of Shares	%of total Shares of the Company	%Shares Pledged /encumbered to total shares	
1	Mr. Hiralall Somany	313855	0.81	-	313855	0.81	-	-
2	Mr. Shrivatsa Somany	1694675	4.36	-	1694675	4.36	-	-
3	Mr. Shreekant Somany	161385	0.42	-	161385	0.42	-	-
4	Mr. Abhishek Somany	85500	0.22	-	85500	0.22	-	-
5	Mrs. Anjana Somany	94150	0.24	-	94150	0.24	-	-
6	Mrs. Minal Somany	625900	1.61	-	625900	1.61	-	-
7	Mrs. Anushree Chopra	150000	0.39	-	150000	0.39	-	-
8.	M/s Bhilwara Holdings Ltd.	9009840	23.19	-	9009840	23.19	-	-
9.	M/s Sarvottam Vanijya Ltd.	6212980	15.99	-	6212980	15.99	-	-
10.	M/s Scope Vinimoy Pvt. Ltd.	3491075	8.99	-	3491075	8.99	-	-
	Total	21839360	56.22	-	21839360	56.22	-	-

ATTACHMENT- E

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

iii. Changes in Promoters' Shareholding

There was no change in the Promoters' shareholding in the financial year 2014-15.

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

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year, i.e. 01.04.2014		Cumulative Shareholding during the year and at the close of the year on 31.03.2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Latinia Limited				
	Beginning of the Year	4,347,826	11.19	4,347,826	11.19
	End of the Year			4,347,826	11.19
2.	Macquarie Bank Limited				
	Beginning of the Year	1,938,526	4.99	1,938,526	4.99
	06/06/2014-Purchase	13,255	0.03	1,951,781	5.02
	22/08/2014-Sale	13,255	0.03	1,938,526	4.99
	06/03/2015-Sale	380,000	0.98	1,558,526	4.01
	13/03/2015-Sale	620,000	1.60	938,526	2.42
	End of the Year			938,526	2.42
3.	Hind Strategic Investment				
	Beginning of the Year	1,257,500	3.24	1,257,500	3.24
	End of the Year			1,257,500	3.24
4.	DSP Blackrock Mutual Fund				
	Beginning of the Year	678,078	1.75	678,078	1.75
	04/04/2014-Purchase	12,441	0.03	690,519	1.78
	11/04/2014-Purchase	8,245	0.02	698,764	1.80
	25/04/2014-Purchase	23,553	0.06	722,317	1.86
	02/05/2014-Purchase	75,640	0.19	797,957	2.05
	09/05/2014-Purchase	62,299	0.16	860,256	2.21
	30/05/2014-Purchase	10,078	0.03	870,334	2.24
	18/07/2014-Purchase	1,172	0.00	871,506	2.24
	25/07/2014-Purchase	4,993	0.01	876,499	2.26
	19/09/2014-Purchase	17,593	0.05	894,092	2.30
	03/10/2014-Purchase	1,802	0.00	895,894	2.31
	10/10/2014-Purchase	14,332	0.04	910,226	2.34
	30/01/2015-Purchase	32,638	0.08	942,864	2.43
	06/02/2015-Purchase	30,441	0.08	973,305	2.51
	13/02/2015-Purchase	16,305	0.04	989,610	2.55

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year, i.e. 01.04.2014		Cumulative Shareholding during the year and at the close of the year on 31.03.2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	27/02/2015-Sale	147	0.00	989,463	2.55
	06/03/2015-Purchase	829	0.00	990,292	2.55
	End of the Year			990,292	2.55
5.	Kirtivardhan Finvest Services Ltd.				
	Beginning of the Year	433,795	1.12	433,795	1.12
	End of the Year			433,795	1.12
6.	Seetha Kumari				
	Beginning of the Year	350,559	0.90	350,559	0.90
	22/08/2014-Sale	2,137	0.01	348,422	0.89
	29/08/2014-Purchase	1,726	0.00	350,148	0.89
	05/09/2014-Purchase	447	0.00	350,595	0.89
	16/01/2015-Purchase	2,330	0.01	352,925	0.90
	30/01/2015-Purchase	1,322	0.00	354,247	0.90
	31/03/2015-Sale	4,804	0.01	349,443	0.89
	End of the Year			349,443	0.89
7.	Pranav Parekh #				
	Beginning of the Year	248,510	0.64	248,510	0.64
	19/09/2014-Sale	3,053	0.01	245,457	0.63
	17/10/2014-Sale	4,947	0.01	240,510	0.62
	07/11/2014-Sale	500	0.00	240,010	0.62
	14/11/2014-Sale	1,500	0.00	238,510	0.61
	End of the Year			238,510	0.61
8.	Sanjeev Vinodchandra Parekh				
	Beginning of the Year	248,375	0.64	248,375	0.64
	End of the Year			248,375	0.64
9.	Jitendra Mansukhlal Parekh				
	Beginning of the Year	240,495	0.62	240,495	0.62
	06/06/2014-Sale	550	0.00	239,945	0.62
	End of the Year			239,945	0.62
10.	Vinodchandra Mansukhlal Parekh				
	Beginning of the Year	238,680	0.61	238,680	0.61
	End of the Year			238,680	0.61

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year, i.e. 01.04.2014		Cumulative Shareholding during the year and at the close of the year on 31.03.2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
11.	Ntasian Discovery Master Fund *				
	Beginning of the Year	0	0.00	0	0.00
	06/03/2015- Purchase	380,000	0.98	380,000	0.98
	13/03/2015- Purchase	620,000	1.60	1,000,000	2.57
	End of the Year			1,000,000	2.57

Ceased to be in the list of Top 10 Shareholders as on 31.03.2015. The same has been reflected above since the Shareholder was one of the Top 10 Shareholders as on 01.04.2014.

* Not in the list of top 10 shareholders as on 01.04.2014. The same has been reflected above since the shareholder was one of the Top 10 Shareholders as on 31.03.2015.

ATTACHMENT- G

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

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No of Shares at the beginning / end of the year	% of total shares of the Company				No. of Shares	% of total shares of the Company
A Directors								
1	Mr. Shreekant Somany	161385	0.42	-	-	-	161385	0.42
2	Mr. Abhishek Somany	85500	0.22	-	-	-	85500	0.22
3	Mrs. Anjana Somany	94150	0.24	-	-	-	94150	0.24
4	Mr. G.L. Sultania	1250	0.003	-	-	-	1250	0.003
5	Mr. Ratna Kumar Daga	5000	0.012	-	-	-	5000	0.012
6.	Mr. Narayan Anand	-	-	-	-	-	-	-
7.	Mr. Salil Singhal	-	-	-	-	-	-	-
8.	Mr. Ravinder Nath	-	-	-	-	-	-	-
9.	Dr. Y.K. Alagh	-	-	-	-	-	-	-
10.	Mr. Siddharath Bindra	-	-	-	-	-	-	-
B Key Managerial Personnel (KMP's)								
1.	Mr. G. G. Trivedi	2000	0.005				2000	0.005
2.	Mr. Ambrish Julka	-	-	-	-	-	-	-

ATTACHMENT- H

V. INDEBTEDNESS

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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6898.27	60.00	-	6958.27
ii) Interest due but not paid	39.23	-	-	39.23
iii) Interest accrued but not due	10.73	-	-	10.73
Total (i+ii+iii)	6948.23	60.00		7008.23
Change in Indebtedness during the financial year				
· Addition	3229.65	-		3229.65
· Reduction	2345.36	60.00	--	2405.36
Net Change	884.29	(60.00)		824.29
Indebtedness at the end of the financial year				
i) Principal Amount	7782.56	-		7782.56
ii) Interest due but not paid	41.92	-	-	41.92
iii) Interest accrued but not due	15.93	-	-	15.93
Total (i+ii+iii)	7840.41	-		7840.41

ATTACHMENT- I

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Mr. Shreekant Somany	Mr. Abhishek Somany	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	194.78	142.70	337.48
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9.66	9.66	19.32
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission (as % of profit)	92.24	146.90	239.14
5	PF Contribution	16.50	13.92	30.42
	Total (A)	313.18	313.18	616.36
	Ceiling as per the Act	₹616.36 Lacs (being 10% of Net Profits of the company calculated as per Section 198 of the Companies Act, 2013)		

ATTACHMENT- J

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors									Total Amount
		Mr. R. K. Daga	Mr. G. L. Sultania	Mrs. Anjana Somany	Mr. Salil Singhal	Mr. Ravinder Nath	Dr. Y. K. Alagh	Mr. Siddharath Bindra	Mr. Narayan Anand	Mr. R. L. Gaggar	
1.	Independent Directors										
a.	Fee for attending board / committee Meetings	1.25	-	-	1.15	0.50	0.80	0.85	-	0.30	4.85
b.	Commission	5.00	-	-	5.00	5.00	5.00	4.25	-	2.15	26.40
c.	Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (1)	6.25	-	-	6.15	5.50	5.80	5.10	-	2.45	31.25
2.	Other Non-Executive Directors										
i.	Fee for attending board / committee Meetings	-	1.00	0.00	-	-	-	-	0.60	-	1.60
ii.	Commission	-	5.00	0.11	-	-	-	-	5.00	-	10.11
iii.	Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (2)	-	6.00	0.11	-	-	-	-	5.60	-	11.71
	Total (B)=(1+2)	6.25	6.00	0.11	6.15	5.50	5.80	5.10	5.60	2.45	42.96
	Total Managerial Remuneration	6.25	6.00	0.11	6.15	5.50	5.80	5.10	5.60	2.45	42.96
	Overall Ceiling as per the Act	₹ 61.64 Lacs (being 1% of Net Profits of the company calculated as per Section 198 of the Companies Act, 2013)									

ATTACHMENT- K

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CEO Mr. G. G. Trivedi	Company Secretary Mr. Ambrish Julka	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	103.94	16.48	120.42
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.74	0.22	2.96
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	PF Contribution	6.32	1.02	7.34
	Total (A)	113.00	17.72	130.72

ATTACHMENT- L

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties/punishments/ or any compounding of offences during the financial year 2014-15.

Annexure - 4

Report on CSR Activities of the Company for the year ended 31st March, 2015

A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken is stated as under:

Information as per Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rule, 2014 and forming part of the Directors' Report for the year ended 31st March, 2015.

1. CSR Policy:

- a. Our CSR Policy shall be directed towards inclusive development that creates value for society and caters to the needs of our people.
- b. The CSR initiatives will be focused to enable the citizen to enjoy the benefits of science led innovations.
- c. Our goal is to ensure that our economic growth is socially and environmentally sustainable.
- d. The targeted beneficiaries of our CSR activities will be marginalized, disadvantaged, poor or deprived sections of the community.
- e. We shall take part in the socio-economic developmental activities of the communities around our plant locations and area of operations, so that the weaker and marginalized sections of the society will have a sustainable higher income and better standard of living.
- f. We will enable through our CSR activities the local community access to basic amenities like safe drinking water, health and sanitation.
- g. We will focus and support our community in attaining Millennium development goals.
- h. We will provide them sustainable livelihood options and handhold them through training and skill development.
- i. We will promote education and engage in employment enhancing vocational skills, especially to women, under privileged youth/students.
- j. We will engage in programs enabling poverty eradication, increase in farm productivity and food security.
- k. We will promote activities reducing inequalities faced by socially and economically backward groups.
- l. We will engage in projects ensuring environment sustainability and conservation of limited natural resources. We will promote water conservation on mass scale.
- m. We will engage in capacity building programmes of micro and small manufacturing units.
- n. We will actively involve in rural development projects. In rural areas we will focus on rural infrastructure development activities like setting up of Distance Education Centres, Krishi Mitra Kendras/ Agri Clinics, Rural BPOs, Common Service Centres (CSCs) /Community Centres, Skill Development Centres, Adoption of Primary Health Centres, Village Roads, Street Lights, Watershed Development activities, Revival of Water bodies, Irrigation and Water Storage Structures, etc.
- o. We will support and supplement Government programs and initiatives.

Our Modalities of Execution of such Projects

- a) Somany Ceramics Limited will identify various developmental projects to participate and implement it through its Trust – “H. L. Somany Foundation”.
 - b) H. L. Somany Foundation will work closely with the Somany CSR Committee in executing the projects.
 - c) We will initiate Public-Private-Community Participation Programmes, if needed.
 - d) Our partners in development activities are NGOs, Farmer Producer Organisations, State Universities, Government bodies, District Authorities, Village Panchayats and the people at the bottom of the pyramid.
 - e) All our CSR projects will be in the form of Projects/Programmes.
 - f) Our CSR Projects will have the following components:
 - Need Based Assessment/Baseline Survey/Study
 - Clearly identified time frame
 - Specific annual financial allocation
 - Clearly identified milestones
 - Clearly identified & measurable objectives /goals
 - Robust & periodic review & monitoring
 - Evaluation & Assessment, most probably through third party
2. Composition of the Committee: Mr. Abhishek Somany (Chairman)
Mr. Salil Singhal (Member)
Mr. Ravinder Nath (Member)
 3. Avg. Net Profit of the Company for Last three financial years: ₹4841.84 Lacs
 4. CSR Expenditure (2% of the amount as in item 3 above): ₹96.84 Lacs
 5. CSR spent during the financial year 2014-15:
 - a) Total amount to be spent for the financial year 2014-15: ₹96.84 Lacs
 - b) Amount unspent: ₹87.10 Lacs
 6. Reasons for not spending the amount: The Company has in the month of March, 2015 incorporated H. L. Somany Foundation under Section 8 of the Companies Act, 2013 which will undertake CSR activities out of the unspent funds to be provided by the Company. Currently the Foundation is in the process of identifying various areas / projects for the said activities qualifying under CSR activities.
 7. We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

Place: New Delhi

Date: The 18th day of May, 2015

G. G. Trivedi

Chief Executive Officer

Abhishek Somany

Joint Managing Director and
Chairman of Company CSR Committee

Annexure - 5

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

Conservation of energy

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

(a) Energy conservation measures taken:

- I. Installation of variable frequency drives in our kilns and cooling towers resulting into saving in electrical energy.
- II. Power trading activity continues to result into reduction in frequent power interruptions and usage of gas/diesel-based captive generation.
- III. Saving electricity units by using energy efficient motors, LED lighting, low loss capacitors is an ongoing activity.

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

This is an ongoing activity. No major investments are planned.

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

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

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

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

Technology Absorption

A. Research and Development

i. Specified areas of R&D

The Company developed number of value added tiles in varying sizes and designs both in glossy, matt, digital and non-digital categories.

Development / Improvement of productivity from all angles including optimizing raw material usage, power and fuel consumption and development of innovative products are on-going activities in the company.

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

Development of value-added products, improvement in first pass tiles percentage and cost optimization efforts surely translate into a competitive edge in the market place overall impacting profitability and brand of the company.

iii. Future R&D plans

The company believes that research and development in ceramics is an area of unlimited possibilities and with this in mind the Company shall continue to invest in R&D in all the areas of ceramic tile manufacturing.

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

- i. The company continues to fully adopt and keeps its R & D and Technical staff fully abreast with the latest technologies and products globally.
- ii. The company during the year was conferred with Corporate Technical Award by American Ceramic Society, a very prestigious award for its innovate patented tiles 'VC Shield'
- iii. Digital printing technology introduced in last few years has resulted in incomparable definition and clarity of the products besides helping reduce wastages and manpower costs.

C. Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings	₹5641.04lacs
Foreign Exchange Outgo	₹5211.45lacs

For and on behalf of the Board

Shreekant Somany
Chairman and Managing Director

Place: New Delhi

Dated: The 18th day of May, 2015

Annexure -6A

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 31st March, 2015.

Remuneration Paid to Directors

Name of the Director	Title	Remuneration in fiscal 2015 (in lacs)	Remuneration in fiscal 2014 (in lacs)	No. of Stock Option / RSUs granted in fiscal 2015	% increase of remuneration in 2015 as compared to 2014#	Ratio of Remuneration to MRE		Ratio of remuneration to	
						Exclude WTD#	Include WTD#	Revenues (fiscal 2015)#	Net profit (fiscal 2015)#
Mr. Shreekant Somany	Chairman and Managing Director	313.18	256.29	Nil	22.20	158.09	158.07	0.00	0.07
Mr. Abhishek Somany	Joint Managing Director	313.18	256.29	Nil	22.20	158.09	158.07	0.00	0.07
Mr. R. K. Daga	Independent Director	6.25	6.40	Nil	(2.34)	3.16	3.15	0.00	0.00
Dr. Y.K. Alagh	Independent Director	5.80	5.60	Nil	3.57	2.93	2.93	0.00	0.00
Mr. SalilSinghal	Independent Director	6.15	5.40	Nil	13.89	3.10	3.10	0.00	0.00
Mrs. Anjana Somany*	Additional Director	0.11	0.00	Nil	N.A.	0.06	0.06	0.00	0.00
Mr. G. L. Sultania	Non-Executive Director	6.00	6.40	Nil	(6.25)	3.03	3.03	0.00	0.00
Mr. Ravinder Nath	Independent Director	5.50	5.45	Nil	0.92	2.78	2.78	0.00	0.00
Mr. Narayan Anand	Non-Executive and Nominee Director	5.60	0.58	Nil	865.52	2.83	2.83	0.00	0.00
Mr. Siddharath Bindra**	Independent Director	5.10	0.00	Nil	N.A.	2.57	2.57	0.00	0.00
Mr. R. L. Gaggar***	Independent Director	2.45	5.80	Nil	(57.76)	1.24	1.24	0.00	0.00

* For the period March 24, 2015 to March 31, 2015.

** For the period May 26, 2014 to March 31, 2015.

*** For the period April1, 2014 to September4, 2014.

Rounded off to two decimal

RSUs : Restricted Stock Units

WTD : Whole Time Directors

MRE : Medium Remuneration of Employees

Remuneration of Key Managerial Personnel (KMPs)

Name of the KMPs	Title	Remuneration in fiscal 2015 (in lacs)	Remuneration in fiscal 2014 (in lacs)	No. of Stock Option / RSUs granted in fiscal 2015	% increase of remuneration in 2015 as compared to 2014#	Ratio of remuneration to MRE		Ratio of remuneration to	
						Exclude WTD#	Include WTD#	Revenues (fiscal 2015)#	Net profit (fiscal 2015)#
Mr. G.G. Trivedi	Chief Executive Officer	113.00	100.13	Nil	12.85%	57.04	57.03	0.00	0.03
Mr. Ambrish Julka	Company Secretary and Compliance Officer	17.72	16.16	Nil	9.65%	8.95	8.94	0.00	0.00

Rounded off to two decimal

RSUs : Restricted Stock Units

WTD : Whole Time Directors

MRE : Medium Remuneration of Employees

The Median Remuneration of Employees (MRE) excluding whole-time Directors (WTDs) was ₹198098 and ₹180418 in fiscal 2015 and fiscal 2014 respectively. The Increase in MRE (excluding WTDs) in fiscal 2015, as compared to fiscal 2014 is 9.80 %.

The Median Remuneration of Employees (MRE) including whole-time Directors (WTDs) was ₹198128 and ₹181431 in fiscal 2015 and fiscal 2014 respectively. The Increase/Decrease in MRE (including WTDs) in fiscal 2015, as compared to fiscal 2014 is 9.20 %.

The number of Permanent employees on the rolls of the Company as of March 31, 2015 and March 31, 2014 was 1595 and 1539 respectively.

The revenue growth during fiscal 2015 over fiscal 2014 was 22.34% and net profit growth was 58.33%. The aggregate remuneration of employees excluding WTD grew by 13.06 % over the previous fiscal. The aggregate increase in salary for WTDs and other KMPs was 20.39 % in fiscal 2015 over fiscal 2014. This was based on the recommendation of the nomination and remuneration committee to revise the remuneration as per industry benchmarks.

Our market capitalization increased by 147.73 % to ₹1557.48 crore as of March 31, 2015 from ₹628.70 crore as of March 31, 2014. The Price Earnings Ratio was 35.08 as of March 31, 2015 which was an increase of 73.58%, as compared to March 31, 2014. The Closing Price of the company's equity shares on the NSE and BSE as of March 31, 2015 was ₹400.95 and ₹398.80 respectively, representing a 5914.25% (NSE) increase over the IPO Price, adjusted for stock splits and bonuses to date

During fiscal 2015, no employee received remuneration in excess of highest paid Director.

Annexure -6B

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 31st March, 2015.

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

Particulars	Mr. Shreekant Somany	Mr. Abhishek Somany	Mr. G.G. Trivedi	Mr. Tapan Jena	Mr. Sanjay Kalra
Age	67 years	43 years	69 years	54 years	53 years
Designation	Chairman & Managing Director	Joint Managing Director	Chief Executive Officer	Chief Operating Officer	President Sales and Marketing
Nature of Duties	Overall Management of the Company and Policy Decisions	Management of company operations	Management of Plant Operations	Planning and implementing the procedures and strategies	Managing the sales and marketing operations
Remuneration Received	₹313.18 Lacs	₹313.18 Lacs	₹113.00 Lacs	₹85.76 Lacs	₹16.51 Lacs
Qualifications	B.Sc	BBA (UK)	M. Sc. , AICWA, LLB	PG Diploma in Business Management	PG Diploma in Marketing and Sales Management
Experience	44 years	19 years	44 years	28 years	30 years
Date of Commencement of Employment	1st September, 1992	1st July, 1996	1st May, 1987	10th October, 2005	06th January, 2015
Name of last Employment	Hindustan Sanitary ware & Industries Ltd.	-	LMP Precision Engineering Ltd.	Regency Ceramics Ltd.	Sintex Industries Ltd.
Position Held	President	-	President	Vice President-Sales & Marketing	President Sales and Marketing
Percentage of Equity Shares of the Company held	0.42%	0.22%	-	-	-

Notes:

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

For and on behalf of the Board

Shreekant Somany

Chairman and Managing Director

Place: New Delhi

Dated: The 18th day of May, 2015

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Corporate Governance Practices are strength of any successful enterprise. The Company's visionary founder had laid the foundation for good governance and made it an integral part of the Company's philosophy of good Corporate Governance 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 Board comprises of ten Directors as of 31st March, 2015. None of the Non-Executive Directors of the Company has any pecuniary relationship or transaction with the Company. The non-executive directors of the Company are highly respected and accomplished professionals in the corporate and academic world. The Composition of the Board is in conformity with the Clause 49 of the Listing Agreement.

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

Director	Category	No. of Board Meetings held during the tenure of the Member	No. of Board Meetings attended	Attended last AGM	Number of Directorships in other companies (\$)	@ No. of Committee positions held in other companies		No. of shares held
						Chairman	Member	
Mr. Shreekant Somany	P	6	6	Yes	5	-	-	161,385
Mr. Abhishek Somany	P	6	6	Yes	2	-	-	85,500
Mr. R. K. Daga	I	6	5	Yes	2	3	1	5,000
Mr. R. L.Gaggar *	I	3	1	No	-	-	-	-
Mr. G. L. Sultania	N	6	4	Yes	7	-	3	1,250
Mr. Salil Singhal	I	6	5	No	6	-	3	-
Mr. Ravinder Nath	I	6	3	No	3	-	2	-
Dr. Y. K. Alagh	I	6	4	No	2	1	4	-
Mr. Siddharath Bindra	I	6	5	No	0	-	-	-
Mr. Narayan Anand	N & O	6	4	No	2	-	1	-
Mrs. Anjana Somany **	P	1	-	NA	2	-	-	94,150

Category: P=Promoter, I=Independent, N= Non-Executive & Non-Independent Director, O= Nominee Director, NA= Not Applicable

* Mr. R.L. Gaggar, ceased to be a Director of the Company w.e.f. 4th September, 2014.

** Mrs. Anjana Somany, was appointed as an Additional Director on the Board w.e.f. 24th March, 2015.

(§) 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 Public Limited Companies.

BOARD FUNCTIONS

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

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

MEETING OF THE BOARD OF DIRECTORS

There were Six Board meetings during the year 2014-15 i.e. on 14th April, 26th May, 21st July, 16th October, in 2014 and on 22nd January, 24th March, in 2015.

3. CODE OF CONDUCT

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

4. CMD/CEO CERTIFICATION

The CMD and CEO have issued a certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report. The company is taking initiatives to appoint Chief Financial Officer of the Company.

5. COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Composition and Terms of Reference

The Audit Committee comprises of four members at present, with majority of Independent Directors, as members of the Committee. Mr. R.K. Daga is the Chairman of the Committee. The other members of the committee are Mr. Salil Singhal, Mr. G. L. Sultania and Dr. Y.K. Alagh. All members of the Audit Committee are financially literate. The Audit Committee members are accomplished professionals from the corporate and academic world. The Committee meets the requirements of provisions under Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement in regard to constitution of this Committee. The Company Secretary of the Company acts as the Secretary to the Committee. Minutes of each Audit Committee Meeting are placed and discussed in the next meeting of the Board. The terms of reference of the Audit Committee cover the areas

as contemplated under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors.

TERMS OF REFERENCE

Brief description of the terms of reference is:-

- Effective supervision of the financial reporting process, ensuring financial and accounting controls and compliance with the policies of the Company,
- Periodical interaction with the statutory and internal auditors to ascertain the quality and veracity of the Company's transactions,
- Review of adequacy and effectiveness of Internal Audit Function and the Internal Control System,
- Overall direction on the risk management policies,
- Review of the annual and quarterly financial statements with management before submission to the Board,
- Compliance with Listing and other legal requirements relating to financial statements,
- Review related party transactions,
- Review the functioning of Whistle Blower Mechanism, Review of qualifications in the audit report, if any,
- Carry out any other functions as may be specified by the Board from time to time.

INVITEES TO THE AUDIT COMMITTEE

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

FREQUENCY OF MEETINGS

During the year 2014-15 four Audit Committee meetings were held on 26th May, 21st July, 16th October, in 2014 and on 22nd January, in 2015.

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

The attendance of the Audit Committee meetings is given below :

Name of Member Director	No. of Meetings attended
Mr. R. K. Daga (Chairman)	4
Mr. R. L. Gaggar* (Member)	1
Mr. G. L. Sultania (Member)	3
Mr. Salil Singhal (Member)	3
Dr. Y. K. Alagh (Member)	3

*Mr. R.L.Gaggar ceased to be a member of the Committee consequent upon his cessation due to retirement from the directorship of the Company w.e.f. 4th September, 2014.

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

SHARE TRANSFER COMMITTEE

Your Company has a Share Transfer Committee comprising of Mr. G.L. Sultania (who chairs the meeting), Mr. N. Goenka and Mr. S. Banerjee. The Committee met twelve times during the year under review. The Board has delegated the power of Share Transfer to the Company's Registrar & Share Transfer Agents, who process the transfers, in respect of physical and shares under Demat. During the year under review, total of 14705 shares were transferred (including transmission) and dispatched within 15 days of receipt in respect of shares, documents for which found valid in all respects. There were no pending transfers as on 31st March, 2015.

STAKEHOLDER'S RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board at its meeting held on 14.04.2014 re-named the existing "Shareholders'/Investors' Grievances Committee" as the "Stakeholder's Relationship Committee". The Committee was constituted to oversee redressal of shareholders'/investors' grievances relating to transfers, transmissions, issue of duplicate share certificate(s) and all other matters concerning shareholders' complaints. Mr. R. K. Daga, Non-Executive Independent Director of the Company is heading the Committee along with Mr. R.L. Gaggar and Mr. G. L. Sultania, as members of the Committee. Mr. R.L. Gaggar, ceased to be a member of the Committee, consequent upon his retirement from the directorship of the Company w.e.f. 4th September, 2014. Mr. Ambrish Julka, Assistant General Manager (Legal) and Company Secretary is the Compliance Officer. Total three Committee meetings were held during the year 2014-15, i.e. on 6th May, 25th September, in the year 2014 and on 13th January in the 2015. During the year 25 complaints were received and resolved. There were no complaints of Shareholders pending as on 31st March, 2015.

NOMINATION AND REMUNERATION COMMITTEE

In compliance with Section 178 of the Companies Act, 2013, and Clause 49 of the Listing Agreement, the Nomination and Remuneration Committee comprise of three Non-executive Directors, of which more than half are Independent Directors. Mr. R.K. Daga, Non-executive Independent Director is the Chairman of the Committee. Mr. R.L. Gaggar, who was Member of the Committee, retired from the Directorship of the Company with effect from 4th September, 2014, hence ceased to be a Member of this Committee from such date. Other Members of the Committee comprises of Mr. G. L. Sultania, Non-executive Non Independent Director and Mr. Siddharath Bindra, Non-executive Independent

Director, who was inducted as the member of the Committee with effect from 16th October, 2014.

During the year 2014-15, two Committee meetings were held i.e. on 13th May, 2014 and on 24th March, 2015. The members of the Committee attended all the meetings held during the year. The Committee was formed inter alia to include the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors, Key Managerial Personnel (KMP) and as Senior Management employees, based on certain criteria laid down;
- Formulate and review from time to time the Policy for selection and appointment of Directors, KMP and senior management employees and their remuneration;
- Review and evaluate the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.
- Such other matters as may be prescribed in the Nomination and Remuneration Policy among others as detailed below.

Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company, duly recommended by the Nomination & Remuneration Committee and approved by the Board of Directors thereafter at its meeting held on 24th March, 2015, includes the aims and objectives, criteria for identification of the Board Members, principles of remuneration, guidelines for remuneration to Executive Directors and Non-Executive Directors, fixed and variable component in the remuneration package etc.

Board Membership Criteria

The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for appointment as Director on the Board. The criteria for appointment as Director on the Board include:

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- desired age and diversity on the Board;

- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of business;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;
- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset;
- Independent of management, in case of appointment as an Independent Director.

Remuneration Policy

This Policy and the compensation structure has been devised after taking into account all relevant factors and giving due regard to the interest of the shareholders and financial and commercial health of the Company.

Board to determine the remuneration: The Board while determining the remuneration package of the Directors, Key Managerial Personnel and Senior Management may take into account, all or any of the following:

- (a) The requirement of the Company, specifically in terms of the skill sets required, the qualification of the persons being considered and the long term and short term goals of the Company;
- (b) Interests of the shareholders and the financial and commercial health of the Company;
- (c) Individual performance of the persons being considered;
- (d) Performance of the Company;
- (e) Remuneration packages offered by companies of comparable size in the same business as the Company;
- (f) Remuneration package offered at the same level by companies of comparable size in other businesses; and
- (g) Other relevant factors it deems necessary.

Maximum Threshold: Except as otherwise provided under the Companies Act, 2013 or with the prior approval of the Central Government, the total managerial remuneration payable by the Company, to its Directors (including Managing Director and Whole-time Director) and its Manager in respect of a financial year shall not exceed 11% (eleven per cent) of the net profits of the Company in the relevant financial year, computed in the manner prescribed under the Companies Act, 2013.

Manner of payment: Remuneration payable to Directors, Key Managerial Personnel and Senior Management may be mix of (i) fixed components such as salary, perquisites and allowances and (ii) variable components including commission, based on the individual performance and the performance of the Company, as determined by the Board, provided that the remuneration payable to the Directors shall be subject to the prior/post approval of the shareholders of the Company and/or the Central Government, as may be required under the applicable laws.

Stock Options: The Company may issue stock option to its Directors (other than Independent Directors), Key Managerial Personnel and Senior Management, as it may deem fit, subject however to the necessary approvals.

Remuneration to Non-Executive Directors: Non-Executive Directors may receive remuneration by way of (i) Sitting Fees, as determined by the Board or the Company (ii) profit related commission as may be approved by the shareholders and (iii) in such other manner as may be permitted under the applicable laws. Executive Directors are not entitled to receive a sitting fee for attending Board meetings of the Company. Sitting fee will not be considered as a part of remuneration for determining the aggregate managerial remuneration being paid to Directors in accordance with this Policy.

Fee for professional services: It is clarified that, the fee payable to a Director for any professional services rendered by him to the Company shall not be considered as a part of the relevant Director's remuneration. Further, payment of such professional fee shall not require approval of the shareholders, if the Committee is satisfied that the Director possess the relevant qualifications for practicing the profession. Provided, however that in case approval of the shareholders is required pursuant to the related party transactions policy of the Company or under the Companies Act, 2013 (by virtue of such a transaction being considered as a contract or arrangement for availing any services and/or for appointment of a related party to any office or place of profit in the Company), such approval shall be obtained, in accordance with the provisions of the Companies Act, 2013 or the Listing Agreement.

Professional Indemnity: The Company has taken such professional indemnity and liability insurance policy for its Directors, Key Managerial Persons and Senior Management, as the Board may deem fit and the premium paid on such insurance shall not to be treated as part of the remuneration payable to any such personnel, except as otherwise provided under the Companies Act, 2013.

Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

Provisions for excess remuneration: If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it, unless permitted by the Central Government.

Details of the Remuneration paid to Directors during the year 2014-15 are as follows:

Directors	Salary & perquisites (₹)	Commission for 2013-14 (₹)	Sitting Fees (₹)	Total (₹)
Mr. Shreekant Somany*	22,094,424**	9,801,979	--*	31,896,403
Mr. Abhishek Somany*	16,628,186**	11,710,579	--*	28,338,765
Mr. R. K. Daga	--	5,00,000	1,25,000	6,25,000
Mr. R. L. Gaggar	--	5,00,000	30,000	5,30,000
Mr. G. L. Sultania	--	5,00,000	1,00,000	6,00,000
Mr. Salil Singhal	--	5,00,000	1,15,000	6,15,000
Mr. Ravinder Nath	--	5,00,000	50,000	5,50,000
Dr. Y.K. Alagh	--	5,00,000	80,000	5,80,000
Mr. Siddharath Bindra	--	--	85,000	85,000
Mr. Narayan Anand***	--	58,165	60,000	118,165
Mrs. Anjana Somany	--	--	--	--

During the year, consultancy fee of ₹ 6,00,000/- (Rupees six lac only) was paid to M/s G. L. Sultania & Co. of which Mr. G. L. Sultania, Director of the Company is a proprietor.

* Whole time Directors are not entitled for sitting fee.

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

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

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

*** Mr. Narayan Anand was appointed as Nominee Director of M/s Latinia Limited, and he is liable to retire by rotation.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The Chairman of the Committee is Mr. Abhishek Somany, Joint Managing Director of the Company. Mr. Salil Singhal and Mr. Ravinder Nath, Independent Directors of the Company are the other members of the Committee. During the year ended 31st March, 2015, two Committee meetings were held i.e. on 16th October, 2014 and 3rd March, 2015, which were attended by the members as under :

Director	Category	No. of meetings held during the tenure of the Member	No. of meetings attended
Mr. Abhishek Somany	Non-Independent	2	2
Mr. Salil Singhal	Independent	2	2
Mr. Ravinder Nath	Independent	2	0

COMPANY ADMINISTRATIVE COMMITTEE

The Company had constituted Company Administrative Committee of the Board to take decisions on the matters falling between the two Board meetings and matters which were routine in nature. Mr. Shreekant Somany, Chairman and Managing Director of the Company is the Chairman of the Committee. Mr. Abhishek Somany, Joint Managing Director and Mr. Salil Singhal, Independent Director of the Company are the other members of the Committee. The Committee was re-constituted by inducting Mr. Siddharath Bindra, Independent Director of the Company, as the member of the Committee at the meeting of the Board of Directors, held on 24th March, 2015. During the year ended 31st March, 2015, five Committee meetings were held i.e. on 30th May, 28th July, 16th October in 2014 and on 22nd January, 24th March in 2015, which were attended by the members as under:

Director	Category	No. of meetings held during the tenure of the Member	No. of meetings attended
Mr. Shreekant Somany	Non-Independent	5	5
Mr. Abhishek Somany	Non-Independent	5	5
Mr. Salil Singhal	Independent	5	4
Mr. Siddharath Bindra	Independent	1	1

6. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate meeting of the Independent Directors of the Company was held and attended by all such Directors on 24th March, 2015, 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 DIRECTORS

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.

8. EVALUATION OF THE BOARD'S PERFORMANCE

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, 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, Chairman, who were

evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, 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 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 approved the Policy on Vigil Mechanism and uploaded the same on the Company's website i.e. www.somanyceramics.com and no personnel has been denied access to the Audit Committee during the financial year 2014-15.

10. SUBSIDIARY COMPANIES

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings. Copies of the Minutes of the Board Meetings of Subsidiary Companies are individually given to all the Directors and are tabled at the subsequent Board Meetings. The Board has approved a policy on Material Subsidiary 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/wp-content/uploads/2015/06/POLICY-ON-MATERIAL-SUBSIDIARY.pdf>

11. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arms 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 Accounting Standards (AS18) 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 and at the web link i.e. <https://www.somanyceramics.com/wp-content/uploads/2015/06/Related-Party-Transaction-Policy.pdf>

12. GENERAL BODY MEETINGS

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

Year	Date	Time	Venue
2014-15	04.09.2014	10.30 A.M.	46th Annual General Meeting, held at LakshmiPat Singhania Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110 016
2013-14	10.02.2014	10:00A.M.	Extra-Ordinary General Meeting, held at LakshmiPat Singhania Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110 016
2013-14	02.09.2013	10.30 A.M.	45th Annual General Meeting, held at LakshmiPat Singhania Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110 016
2012-13	13.08.2012	11.00 A.M.	44th Annual General Meeting held at H.L Somany Hall, ASSOCHAM, 47 Prithvi Raj Road, New Delhi – 110011

13 SPECIAL RESOLUTIONS PASSED IN THE PREVIOUS THREE AGMS/EOGMS:

Date of Meeting held	AGM / EOGM	Subject matter of the resolution
4th September, 2014	AGM	<ul style="list-style-type: none"> Re-appointment of Mr. Shreekant Somany (DIN 00021423) as Chairman & Managing Director of the Company with effect from 1st September, 2014. Re-appointmnt of Mr. Abhishek Somany (DIN 00021448) with effect from 1st June, 2015 and re-designated as Managing Director of the Company with effect from such re-appointment.
10th February, 2014	EOGM	<ul style="list-style-type: none"> Issue and allotment of equity shares on preferential basis.
2nd September, 2013	AGM	<ul style="list-style-type: none"> Remuneration by way of commission to Non- Executive Directors
13th August, 2012	AGM	NIL

The Company proposed the following Special Resolution to be passed through postal ballot during the last year:

Date of Notice	AGM/EOGM	Subject matter of the resolution
24th March, 2015	EOGM / POSTAL BALLOT	<ul style="list-style-type: none"> Consider and approve issue of further securities. Increase the aggregate limit for investment by the Foreign Institutional Investors/ Foreign Portfolio Investors and Non- Resident Indians in equity share capital of the Company

14 COMPLIANCE WITH REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT

The Company has complied with requirements of Clause 49 of the Listing Agreement and is taking necessary steps to post terms and conditions of appointment of Independent Directors and familiarisation programme of Independent Directors on the website of the Company, and also for appointment of Chief Financial Officer (CFO).

15 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 mandatory requirements of the Clause 49 of the Listing Agreement.

The Independent Directors have confirmed that they meet the criteria of 'Independence as stipulated under the Clause 49 of the Listing Agreement.

There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.

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.

16. MEANS OF COMMUNICATION

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

17. "MANAGEMENT DISCUSSION AND ANALYSIS" IS A PART OF THE ANNUAL REPORT.

18. GENERAL SHAREHOLDER'S INFORMATION

Registered Office

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

Plant locations

- i) V & P.O Kassar, Bahadurgarh
Distt. Jhajjar, Haryana - 124507
Phone: 01276-241002/3/4/5 Fax : 01276-241006/11
Email: cs@somanytiles.co.in

- ii) GIDC Industrial Area,
Distt. Mehsana, Kadi,
Gujarat-382715
Ph : 02764-242153/54, Fax : 02764-263011

19. DATE AND VENUE OF ANNUAL GENERAL MEETING

Annual General Meeting of the Company will be held on, Friday, the 4th September, 2015 at LakshmiPat Singhania Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 at 10.30 A.M.

20 FINANCIAL CALENDAR : 1ST APRIL TO 31ST MARCH

Financial Reporting for 2015-2016 is as follows:

First Quarter	: Fourth week of July, 2015
Second Quarter	: Fourth week of October, 2015
Third Quarter	: Fourth week of January, 2016
Fourth Quarter	: Fourth week of May, 2016

21. BOOK CLOSURE DATE

19th August, 2015 to 4th September, 2015 (both days inclusive)

22. DIVIDEND

The Board of Directors of Company has recommended a dividend of ₹2/- per share on equity shares of ₹2/- each for the year ended 31st March, 2015 subject to approval of the Shareholders at the ensuing Annual General Meeting and the amount of dividend will be credited or Dividend warrants will be dispatched by 9th September, 2015.

23. 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 2015-2016.

National Stock Exchange of India Limited (NSE)

"Exchange Plaza",
Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051
Trading Symbol :- SOMANYCERA

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Scrip Code : 531548
Demat ISIN Number for NSDL and CDSL: INE 355A01028

Market Price Data:

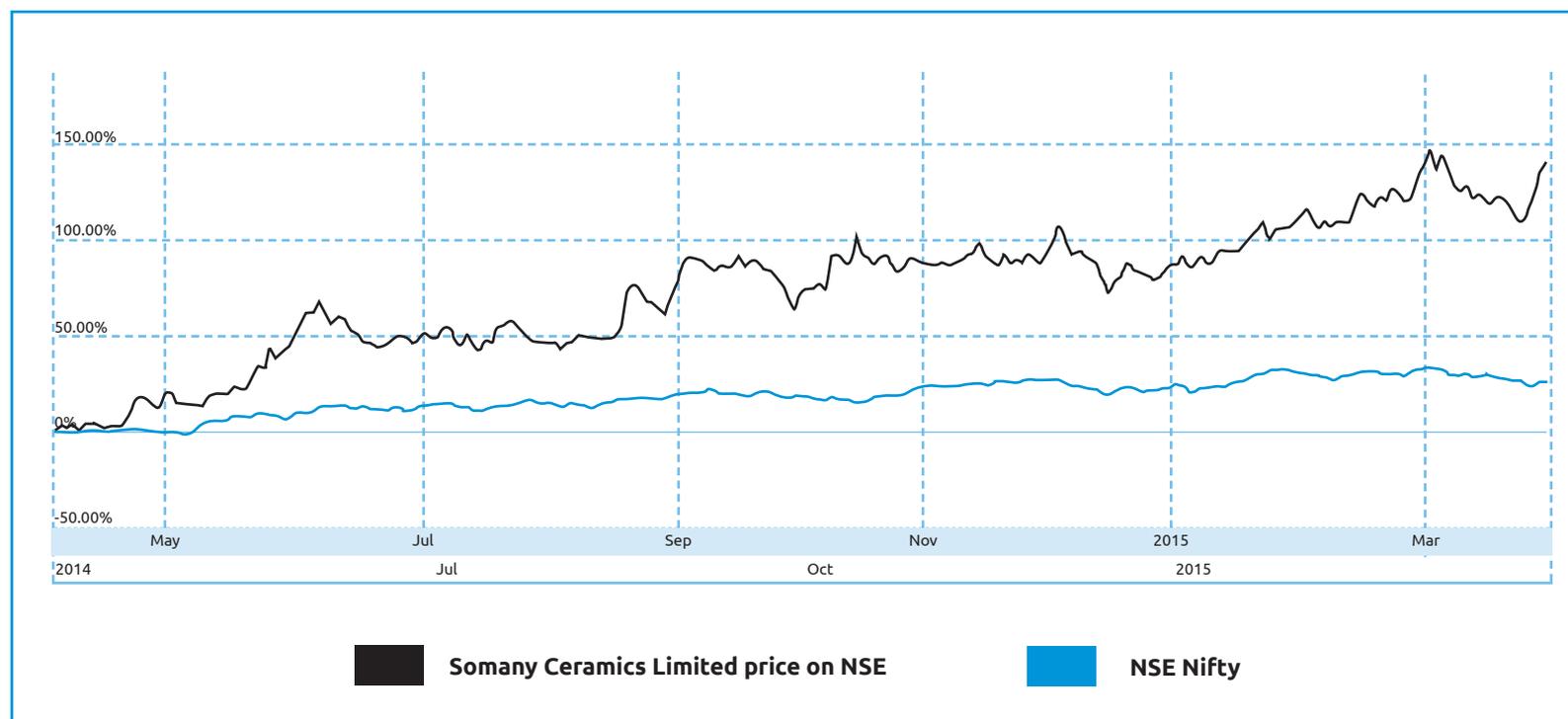
Month	National Stock Exchange of India Limited*			BSE Limited*		
	High (₹)	Low (₹)	No. of Shares Traded	High (₹)	Low (₹)	No. of Shares Traded
Apr-14	203.30	155.05	3,79,484	202.15	155.50	83,354
May-14	245.00	183.50	7,15,616	252.50	182.30	2,35,473
Jun-14	316.80	235.00	2,96,817	294.00	236.00	99,197
Jul-14	270.00	230.05	2,12,702	270.00	233.00	55,023
Aug-14	307.50	233.00	3,81,132	307.30	235.00	1,03,192
Sep-14	328.00	264.00	2,89,577	359.00	265.00	76,344
Oct-14	366.00	285.00	8,82,608	365.95	286.05	2,84,345
Nov-14	336.00	306.50	2,40,358	346.00	305.50	60,591
Dec-14	364.60	272.05	2,16,736	362.90	274.00	38,013
Jan-15	372.00	306.00	7,87,530	370.00	304.00	1,90,520
Feb-15	396.00	338.00	3,92,228	395.00	331.50	79,559
Mar-15	425.55	344.85	8,28,284	424.90	344.70	5,97,225

*Source : Official website of BSE and NSE

Performance in comparison to broad based indices

Somany Ceramics Limited Price on NSE & NSE NIFTY

Registrar & Share Transfer Agent



*Source: Official website of NSE

24. REGISTRAR & SHARE TRANSFER AGENT

(Both for physical and demat segment)
Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, Kolkata – 700 001
Phone No. 033-2243 5809/2243 5029, Fax No. 033-2248 4787
E-mail: mdpldc@yahoo.com

25. SHARE TRANSFER SYSTEM

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

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

26. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2015

No. of Equity Shares	Number of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1- 500	4055	75.72	487330	1.25
501-1000	619	11.56	485112	1.25
1001-2000	251	4.69	386581	1.00
2001-3000	102	1.90	265751	0.68
3001-4000	55	1.03	200126	0.52
4001-5000	65	1.21	301804	0.78
5001-10000	90	1.68	648784	1.67
10001 and above	118	2.21	36069338	92.85
Total	5355	100.00	38844826	100.00

Categories of Shareholding as on 31.03.2015

Category	Number of Shares	Percent
Indian Promoters	21839360	56.22
Mutual Funds & UTI	1193074	3.07
Banks, Financial Institutions, Insurance Companies	13200	0.03
Foreign Institutional Investors	2248142	5.79
Corporate Bodies	1127961	2.90
Indian Public	6726991	17.32
NRIs/Foreign Companies	5653672	14.56
Trusts	33498	0.09
Clearing Member	8928	0.02
Total	38844826	100.00

27. DEMATERIALISATION OF SHARES

The Company's equity shares enjoy the DEMAT facilities with NSDL as well as CDSL. The shares held on dematerialised form in CDSL are

1219114 (3.14%) and in NSDL are 36841437 (94.84 %) representing 38,060,551 (97.98%) Equity shares of the paid-up capital of the Company as on 31st March, 2015. The total shares held in physical format are 784275 (2.02%).

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

During the year 2014-15, there were no outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date, which would have an impact on the equity of the Company.

29. CONTACT FOR CLARIFICATION ON FINANCIAL STATEMENTS:

Individuals May Contact

Mr. R.K. Lakhotia, Vice President (Finance) at:

V & P.O Kassar – 124507, Bahadurgarh
Distt. Jhajjar, Haryana, India
Phone : 01276-241001 -05 Fax : 01276-241006/11
Email : fin@somanytiles.co.in

Shareholder's Enquiries: Individuals may contact

Mr. Shyamalendu Banerjee at:

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

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

30. AS REQUIRED UNDER CLAUSE 49 VIII(E)(1)(A) OF THE LISTING AGREEMENT, PARTICULARS OF THE DIRECTORS SEEKING APPOINTMENT OR RE-APPOINTMENT**Mr. Narayan Anand**

Aged about 51 years, Mr. Narayan Anand is MBA from IIM, Bangalore and graduated with honors in Mechanical Engineering from the National Institute of Technology, Jaipur. He is one of the Director in Creador Advisors India Pvt. Ltd. He spent the last 17 years working in Investment Banking where he helped mid-market and large corporates raise equity and debt capital in India. Most recently, he was a partner at Veda, a boutique investment bank where he was responsible for mergers and acquisitions, sponsor coverage of private equity firms and raising structured debt for a number of mid-market corporates. Mr. Anand also spent 12 years as Vice-President, Investment Banking at IL&FS where he mobilized funds for companies across India. In the earlier part of his career, Mr. Anand held various operational roles at Zuari Agrochemicals and at Eicher Motors. The details of his directorship and membership in companies are given below:

Sl. No.	Name of the Public Limited Company in which he is a Director	Chairman/ Director	Position held in		
			Audit Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee
1	Somany Ceramics Ltd.	Director	-	-	-
2	Ashiana Housing Ltd	Director	-	-	-
3	Vectus Industries Ltd	Director	Member	Member	-

Mrs. Anjana Somany

Aged about 62 years Mrs. Anjana Somany, has done her Bachelor of Arts in History and Political Science; Diploma on Porcelain and Ceramic Creation-Switzerland; Diploma in Textile Designing, New Delhi Polytechnique and is a Trainer 'Entrepreneurship Development Programs' at grass root levels across India. She has dedicated 30 years of her life working at the grass root level in the area of crafts and textiles. Heading various organizations of repute, she has worked for the empowerment of women at the top and middle level of women in business. The details of her directorship and membership in Companies are given below:

Sl. No.	Name of the Public Limited Company in which she is a Director	Chairman/ Director	Position held in		
			Audit Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee
1	Somany Ceramics Ltd.	Director	-	-	-
2	Sarvottam Vanijya Ltd.	Director	-	-	-
3	Bhilwara Holdings Ltd.	Director	-	-	-

31 AUDITORS' CERTIFICATE

We have examined the compliance of conditions of Corporate Governance procedure implemented by Somany Ceramics Limited for the year ended on 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

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

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

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges have been complied with in all material respect by the Company read with para 14 of this Corporate Governance Report.

For LODHA & CO.

Chartered Accountants

N.K. LODHA

Partner

M.No.85155

Place: New Delhi

Dated: The 18th day of May, 2015

32 DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

The Company has framed a specific Code of Conduct for the members of the Board of Directors and Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges. All the members of the Board and Senior Management Personnel have affirmed due observation of the said Code of Conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2015.

G.G. Trivedi

Chief Executive Officer

Place : New Delhi

Date : The 18th day of May, 2015

33 CMD/CEO 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 31st March, 2015 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 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

Place: New Delhi

Dated: The 18th day of May, 2015

G.G. Trivedi

Chief Executive Officer

Independent Auditor's Report

To the Members of Somany Ceramics Limited

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of Somany Ceramics Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 judgements 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Financial Statements.

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

Opinion

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 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 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we give in the Annexure a statement on the matters specified in the 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note No. 27.1, 27.2 & 27.6 [and read with note no. 27.3 as stated in para (ii) below] to the Standalone Financial Statements.
- ii. The Company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts; except to the extent and as explained in Note No. 27.3 of the Standalone Financial Statements.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **LODHA & CO.,**
Chartered Accountants
Firm's Registration No. 301051E

(N.K. LODHA)
Partner
Membership No. 85155

Place: New Delhi
Date: The 18th day of May, 2015

Annexure referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date for the year ended 31st March 2015

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except in case of certain locations where records are in process of updation / compilation.

(b) As per the information and explanations given to us, certain fixed assets have been physically verified by the management according to a regular programme of periodic verification in a phased manner which in our opinion is reasonable having regard to the size of the company and nature of fixed assets. The discrepancies noticed on such physical verification have been dealt within the books of accounts.
2. (a) As per the information and explanations given to us, the inventories (except stocks- in- transit which have been verified based on subsequent receipt/ reconciliation) have been physically verified by the management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory (in respect of process stock records are updated after physical verification). The discrepancies noticed on such physical verification of inventory as compared to book records were not material which have been properly dealt with.
3. As informed to us, the Company has granted unsecured loan to one party covered in the register maintained under Section 189 of the Companies Act, 2013.

(a) In this regard, the receipt of principal as well as interest is regular; and

(b) Furthermore, no amount, principal as well as interest is overdue and therefore provision of clause 3(iii)(b) of the Order is not applicable.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that certain items purchased/sold are of special nature for which, as explained, suitable alternatives sources do not exist for obtaining comparative quotations, taking in to consideration the quality, usage and such other factors, there are adequate internal control systems commensurate with the size of the company and nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. Further on the basis of examination of the books and records of the company, carried out in accordance with the generally accepted auditing principles in India, and according to the information and explanation given, we have neither come across nor have we been informed of any instance of major weakness in internal control systems of the company.
5. In our opinion and according to the information and explanations given to us, the Company has complied with the directive issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under (to the extent applicable) with regard to deposit accepted from the public. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other tribunal in this regard.
6. The maintenance of cost records has not been prescribed by the Central Government under the section 148(1) of the Companies Act 2013 read with companies (Cost Records and Audit) Rules, 2014 for the goods/product manufactured by the Company.
7. (a) According to the records and information made available to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income- tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax cess and any other material statutory dues to the extent applicable to it and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2015 except in respect of Employee State Insurance for ₹ 0.64 lacs.

- (b) According to the records and information and explanations given to us, there are no dues in respect of wealth tax and cess that have not been deposited with appropriate authorities on account of disputes and dues in respect of income tax, customs duty, excise duty, service tax, and sales tax (including Turnover tax) that have not been deposited with appropriate authorities on account of disputes and the forum where the dispute is pending are as given below:

Name of Statute	Nature of Dues	Period to which it relates	Amount (₹ in Lacs)	Forum where dispute is pending
Custom Act	Custom Duty	1997-1999	5.91	Deputy Commissioner of Customs, (Import) Tughlakabad
Central Excise Act	Excise duty	1999-2004	317.43	CESTAT, New Delhi
		2005-2007	13.04	CESTAT, New Delhi
		1996-2000	9.33	CCE Appeals, Ahemdabad
		1994-1995	0.07	Asst. Commissioner, Kalol
Sales Tax Act	Local Area Development Tax	2002-2003	5.15	Haryana Tax Tribunal, Chandigarh
		2006-2007	60.12	Supreme Court of India
		2007-2008	76.40	Supreme Court of India
		2008-2009	89.27	Supreme Court of India
		2009-2010	93.56	Supreme Court of India
		2010-2011	59.62	Supreme Court of India
		2011-2012	60.16	Supreme Court of India
		2012-2013	73.54	Supreme Court of India
		2013-2014	85.48	Supreme Court of India
		2014-2015	72.77	Supreme Court of India
	Turnover Tax	1990-1993	45.83	Maharashtra Sales Tax Tribunal, Mumbai
		2006-2007	52.61	Asst. Commissioner, Ahemdabad
		2007-2008	28.76	Joint. Commissioner, Commercial Taxes, Ahmedabad
	Finance Act	Service Tax	2007-09	2.80
Income Tax Act*	Income Tax	A.Y. 2010-11	63.36	CIT Appeals, Kolkata
		A.Y. 2011-12	5.72	CIT Appeals, Kolkata
		A.Y. 2012-13	20.15	CIT Appeals, Kolkata

* Excluding penalty if any (Refer note no. 27.1)

- (c) According to the records of the Company, there was no amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.

8. The company does not have accumulated losses as at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
9. Based on our audit procedures and on the information and explanations given by the management, the Company has not defaulted in repayment of dues to financial institution, banks or debenture holders.
10. The Company has given corporate guarantees for loans taken by other body corporates outstanding amount aggregating to Rs. 3434.00 lacs from banks. According to the information and explanations given to us, we are of the opinion that the terms and conditions, on which the company has given corporate guarantees for loans taken from banks, are not, *prima- facie* prejudicial to the interest of the Company.
11. According to the information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.
12. During the course of our examination of the books and records of the company carried out in accordance with the auditing standards generally accepted in India, we have neither come across any material instance of fraud on or by the company, noticed nor reported during the year nor we have been informed of such case by the management.

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

N.K. LODHA
(Partner)
Membership No: 85155

Place: New Delhi
Date: The 18th day of May, 2015

Balance Sheet

as at 31st March, 2015

	Note No.	31.03.2015	31.03.2014
(₹ in lacs)			
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	776.90	776.90
Reserves & Surplus	3	24,623.50	21,274.39
		25,400.40	22,051.29
Non-current Liabilities			
Long term Borrowings	4	6,132.96	5,657.71
Deferred Tax Liabilities (Net) (Refer Note No. 27.10)		2,742.18	2,749.90
Other Long-term Liabilities	5	1,913.33	1,781.09
Long-term Provisions	6	330.83	302.23
		11,119.30	10,490.93
Current Liabilities			
Short-term Borrowings	7	7,950.02	7,282.28
Trade Payables (Refer Note No. 27.27)		20,305.55	17,490.68
Other Current Liabilities	8	8,675.42	6,788.53
Short-term Provisions	9	9,098.01	7,448.85
		46,029.00	39,010.34
Total		82,548.70	71,552.56
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	10	23,420.77	21,411.63
Intangible Assets	10	169.24	170.09
Capital work-in-progress		81.43	270.01
Non-current Investments	11	2,405.51	2,167.02
Long-term Loans and Advances	12	2,102.05	1,585.71
Other Non-Current Assets	13	250.93	-
Total		28,429.93	25,604.46
Current Assets			
Current Investments	14	2,666.01	3,710.00
Inventories	15	12,726.28	8,574.51
Trade Receivables	16	25,346.90	21,302.14
Cash and Bank Balances	17	1,457.81	3,267.28
Short-Term Loans and Advances	18	11,663.64	8,888.70
Other Current Assets	19	258.13	205.47
		54,118.77	45,948.10
Total		82,548.70	71,552.56
Significant Accounting Policies	1		
Explanatory Notes	27		

As per our report of even date

For and on behalf of Board of Directors

For **LODHA & CO.**Chartered Accountants
(ICAI FRN. NO.: 301051E)**N. K. LODHA**Partner
M.NO. 85155

Place : New Delhi

Dated : The 18th Day of May, 2015

SHREEKANT SOMANY

Chairman & Managing Director

ABHISHEK SOMANY

Joint Managing Director

AMBRISH JULKA

DGM (Legal) & Company Secretary

The Statement of Profit & Loss

for the year ended 31st March, 2015

	Note No.	31.03.2015	31.03.2014
(₹ in lacs)			
Revenue from Operations	20	154,104.87	125,967.40
Other Income	21	783.39	274.35
Total Revenue		154,888.26	126,241.75
Expenses:			
Cost of Materials Consumed	22	16,996.89	17,016.58
Purchases of Stock-in-Trade		85,039.91	57,911.51
Change in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	23	(3,507.81)	2,826.31
Employee Benefit Expense	24	9,536.05	8,229.40
Finance Costs	25	1,630.71	1,830.16
Depreciation and Amortization Expense	10	2,226.84	2,206.41
Other Expenses	26	36,414.90	31,819.41
Total Expenses		148,337.49	121,839.78
Profit Before Exceptional and Extraordinary Items and Tax		6,550.77	4,401.97
Exceptional Items (Net)		-	-
Profit before tax		6,550.77	4,401.97
Tax Expense:			
(1) Current Tax		2,028.56	1,467.00
(2) Deferred Tax Charges/Credit		71.62	131.90
(3) Income Tax for earlier years		12.34	-
Profit After Tax		4,438.25	2,803.07
Earnings Per Equity Share (Per Share Value of ₹ 2 each)			
Basic		11.43	8.01
Diluted		11.43	8.01
(Refer Note No. 27.15)			
Significant Accounting Policies	1		
Explanatory Notes	27		
The accompanying Notes are an integral part of the Financial Statements.			

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

N. K. LODHA
Partner
M.NO. 85155

Place : New Delhi
Dated : The 18th Day of May, 2015

For and on behalf of Board of Directors

SHREEKANT SOMANY
Chairman & Managing Director

ABHISHEK SOMANY
Joint Managing Director

AMBRISH JULKA
DGM (Legal) & Company Secretary

Cash Flow Statement

For the Year Ended 31st March, 2015

	(₹ in lacs)	
	31.03.2015	31.03.2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX & EXCEPTIONAL ITEMS as per Statement of Profit & Loss	6,550.77	4,401.97
I. ADJUSTED FOR :		
Depreciation & Amortisation Expense	2,226.84	2,206.41
Interest and Finance Charges	1,630.71	1,830.16
Interest Income	(488.29)	(216.24)
Dividend Income (₹ 125/-)	(0.00)	(0.07)
Profit on Sales of Investment (Net)	(183.73)	(9.11)
Unrealized Foreign Exchange (Gain) / Loss (Net)	3.56	11.94
Diminution in the value of Investment (net)	-	0.77
Provision for Doubtful Debts (net of write back)	6.32	27.54
Bad Debts	17.99	-
Liabilities no longer required written back (net)	-	-
Sundry Balances written off / (back) (net)	88.00	(22.26)
(Profit) / Loss on sale / Discard of Fixed Assets / Assets written off (net)	125.43	186.40
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	9,977.60	8,417.51
II. ADJUSTED FOR :		
Trade & Other Receivable	(6,358.16)	(4,824.91)
Inventories	(4,151.77)	3,290.34
Trade & Other Payable	4,456.37	2,086.00
Cash Generated from Operation	3,924.04	8,968.94
Income Taxes Refund / (paid)	(2,083.65)	(1,325.51)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	1,840.39	7,643.43
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(4,406.70)	(3,536.52)
Sale of Fixed Assets	99.59	95.60
Sale of Long Term Investment	0.39	0.96
Purchase of Long Term Investment	(238.51)	(1,248.30)
Share Application Advance	(162.40)	(137.60)
Purchase of Short Term Investment	(22,437.54)	(5,075.80)
Sale of Short Term Investment	23,664.89	1,349.32
Interest Income	458.78	110.81
TDS on Interest	(27.09)	(21.37)
Dividend Income (₹ 125/-)	0.00	0.07
NET CASH OUTFLOW FROM INVESTING ACTIVITIES (B)	(3,048.59)	(8,462.83)

Cash Flow Statement

For the Year Ended 31st March, 2015

	(₹ in lacs)	
	31.03.2015	31.03.2014
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	3,949.93	2,004.33
Repayment of Long Term Borrowings	(2,912.91)	(2,308.56)
Short Term Loans Borrowings (net)	661.26	(685.67)
Proceeds from issue of Share Capital	-	86.96
Security Premium (Net of Share Issue Expenses)	-	4,767.10
Interest Paid	(1,622.81)	(1,820.05)
Dividend Paid (including corporate dividend tax)	(676.74)	(480.27)
NET CASH INFLOW FROM FINANCING ACTIVITIES (C)	(601.27)	1,563.84
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,809.47)	744.44
CASH AND CASH EQUIVALENTS		
Opening		
Cash & Cash Equivalent	2,742.85	1,693.13
Other Bank Balances	524.43	829.71
	3,267.28	2,522.84
Closing		
Cash & Cash Equivalent	1,150.47	2,742.85
Other Bank Balances	307.34	524.43
	1,457.81	3,267.28
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,809.47)	744.44

Notes :

- Cash & Cash Equivalents represents cash and bank balances.(Note No. 17)
- Figures for the previous year have been regrouped/rearranged wherever considered necessary.

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

For and on behalf of Board of Directors

N. K. LODHA
Partner
M.NO. 85155

SHREEKANT SOMANY
Chairman & Managing Director

ABHISHEK SOMANY
Joint Managing Director

AMBRISH JULKA
DGM (Legal) & Company Secretary

Place : New Delhi
Dated : The 18th Day of May, 2015

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

for the year ended 31st March, 2015

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

1.1 ACCOUNTING CONCEPTS

The financial statements have been prepared under the historical cost convention on accrual basis in compliance with applicable accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except where otherwise stated.

1.2 REVENUE RECOGNITION

Revenue is recognised when significant risks and reward of ownership have been passed to buyer and there is no uncertainty exists to its realization or collection.

1.3 FIXED ASSETS

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

1.4 DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSS

- a) Fixed assets are depreciated using written down value method except fixed assets of the floor tile unit (including MTP & GVT plant) and addition made after 1st April, 1995 to plant and machinery of wall tile units, where depreciation is provided on a straight line method, considering the estimated useful lives as specified in Schedule II of the Companies Act, 2013 except in case of vehicles, press punches / die boxes and hand pallet truck where useful lives are taken as 5, 8 and 3 years respectively. Continuous process plants as defined in Schedule II have been considered on technical evaluation. Impaired assets are amortised over the estimated balance useful life.

- b) In case of indication of impairment of the carrying amount of the Company's assets, an asset recoverable amount is estimated. Impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Reversal of impairment loss recognised in prior periods is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.
- c) Leasehold land is amortised over the period of lease.
- d)
 - (i) Intangible assets are being recognised if the future economic benefits attributable to the assets are expected to flow to the Company and cost of the assets can be measured reliably. The same are being amortised over the expected duration of benefits.
 - (ii) Intangible assets being computer software is amortised over a period of five years.

1.5 TRANSACTION OF FOREIGN CURRENCY ITEMS

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

1.6 INVESTMENTS

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

1.7 INVENTORIES

Inventories are valued at lower of cost and net realisable value

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

for the year ended 31st March, 2015

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

1.8 RESEARCH & DEVELOPMENT EXPENSES

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

1.9 INTEREST ON BORROWINGS

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

1.10 EMPLOYEE BENEFITS:

a) Defined Contribution Plan:

Employee benefits in the form of Provident Fund (with Government Authorities) and Employees' pension Scheme are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

b) Defined Benefit Plan:

Retirement benefits in the form of gratuity, long-term compensated leaves; other long-term employee benefit and provident fund (multi-employer plan) are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, according to the date of the Balance Sheet. Actuarial gain/losses, if any, are immediately recognised in the Statement of Profit & Loss.

c) Short-term employee benefit:

Short-term benefits are charged off at the undiscounted amount in the year in which the related services rendered.

1.11 GOVERNMENT GRANTS

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

1.12 LEASES

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

1.13 SHARE ISSUE EXPENSES

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

1.14 PROVISION FOR CURRENT AND DEFERRED TAX

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

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

1.15 USE OF ACCOUNTING ESTIMATES

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

1.16 CONTINGENT LIABILITY, CONTINGENT ASSETS AND PROVISION

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

Notes to the Balance Sheet

						(₹ in Lacs)				
						31.03.2015	31.03.2014			
NOTE 2	SHARE CAPITAL									
Authorised										
Equity Shares 125,000,000 (Previous year 125,000,000) of ₹ 2/-each						2,500.00	2,500.00			
Issued, Subscribed and Paid up										
Equity Shares 38,844,826(previous year 38,844,826) of Rs 2/- each fully paid up						776.90	776.90			
						776.90	776.90			
Notes :										
(a) (i) Reconciliation of Equity Share Capital (In numbers)										
Shares outstanding at the beginning of the year						38,844,826	34,497,000			
Add : Shares issued during the year						-	4,347,826			
Less : Shares bought back during the year						-	-			
Shares outstanding at the end of the year						38,844,826	38,844,826			
(b) (i) Equity Shares:										
The Company has only one class of Equity Shares having face value of ₹ 2/- each and each shareholder is entitled to one vote per share. Each shareholders have the right in profit / surplus in proportion to amount paid up with respect to share holder. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, in proportionate to their individual shareholding in the paid up equity capital of the the company.										
(c) List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)										
i) Bhilwara Holding Limited						9,009,840	9,009,840			
ii) Sarvottam Vanijay Limited						6,212,980	6,212,980			
iii) Scope Vinimoy Private Limited						3,491,075	3,491,075			
iv) Latinia Limited						4,347,826	4,347,826			
						23,061,721	23,061,721			
(d) Details of Allotment/Buy Back of Shares during the period of 5 years immediately preceding the reporting date						2013-14	2012-13	2011-12	2010-11	2009-10
						NIL	NIL	NIL	NIL	NIL

Notes to the Balance Sheet

	(₹ in Lacs)	
	31.03.2015	31.03.2014
NOTE 3 RESERVES AND SURPLUS		
Capital Reserve		
Balance at the beginning of the year	45.00	45.00
Addition/ (Transfer) during the year	-	-
Closing balance	45.00	45.00
Capital Redemption Reserve		
Balance at the beginning of the year	0.03	0.03
Addition/ (Transfer) during the year	-	-
Closing balance	0.03	0.03
Security Premium Reserve		
Balance at the beginning of the year	4,767.10	-
Premium on allotment of equity shares	-	4,913.04
Less:-Share Issue Expenses	-	145.94
Closing balance	4,767.10	4,767.10
General Reserve		
Balance at the beginning of the year	4,199.82	3,899.82
Addition/ (Transfer) during the year	440.00	300.00
Less:- Depreciation *	154.08	-
Closing balance	4,485.74	4,199.82
Surplus in Statement of Profit & Loss Account		
Balance at the beginning of the year	12,262.44	10,441.07
Net Profit for the current Year	4,438.25	2,803.07
Amount available for appropriation	16,700.69	13,244.14
Less : Appropriation:		
Transfer to General Reserve:	440.00	300.00
Proposed Dividend	776.90	582.67
Corporate Dividend Tax	158.16	99.03
Closing Balance	15,325.63	12,262.44
Total of Reserves & Surplus	24,623.50	21,274.39

* In view of adoption of Schedule II of the Companies Act, 2013 depreciation on assets whose life expired prior to 1st April, 2014 (net of deferred tax of ₹ 79.34 Lacs)

Notes to the Balance Sheet

	(₹ in Lacs)	
	31.03.2015	31.03.2014
NOTE 4 LONG-TERM BORROWINGS		
Secured		
Term Loans		
- From Banks	6,497.72	5,454.66
- From Others	675.00	975.00
Car Loans		
- From Banks	532.44	388.49
- From Others	77.40	80.12
Deferred Payment Liabilities	1,130.14	1,013.86
	8,912.70	7,912.13
Less: Current Maturities of Long Term Borrowings		
Term loans		
- From Banks	2,177.33	1,790.00
- From Others	300.00	300.00
Car Loans		
From Banks	168.64	126.07
From others	42.17	38.35
Deferred Payment Liabilities	91.60	-
	2,779.74	2,254.42
	6,132.96	5,657.71

NOTES

- Rupee loan of ₹ 883.58 Lacs (Previous year ₹ 1,773.75 Lacs) from a Bank is secured by first pari passu charge by way of hypothecation of machinery, equipment and other fixed assets purchased / to be purchased out of the said loan. The aforesaid loan is repayable in 4 quarterly instalments from June, 2015.
- Rupee loan of ₹ 2,000.00 Lacs (Previous Year ₹ 1,142.00 Lacs) 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 charge on all the current assets of the company both present and future. The aforesaid loan is repayable in 20 equal quarterly instalments starting from June 2015.
- Rupee loan of ₹ 300.00 Lacs (Previous year ₹ 600.00 Lacs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable assets and mortgage of all immovable properties of the Company, both present and future, excluding assets exclusively charged to other Banks. The aforesaid loan is repayable in 4 equal quarterly instalments from June, 2015.
- Rupee loan of ₹ 675.00 Lacs (Previous Year ₹ 975.00 Lacs) from others is secured by first pari passu charge on all fixed assets of the company both present and future except specifically charged and Government Land at Kassar / Kadi. The aforesaid loan is repayable in 9 equal quarterly installments from June, 2015.
- Rupee Loan of ₹ 1,764.14 Lacs (Previous Year ₹ 1,938.91 Lacs) from a Bank and Buyers' credit of ₹ 397.33 Lacs (Previous year Rs 1,013.86 lacs) {Equivalent to Euro 5.82 lacs (Previous Year Euro 12.20 lacs)} 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 excluding those exclusively charged to other Banks and second pari passu on current assets of the company both present and future. The aforesaid loan is repayable in 12 quarterly instalments from June, 2015.
- Rupee Loan of ₹ 1,550.00 Lacs (Previous Year ₹ Nil) from a Bank and Buyers' credit of ₹ 732.81 Lacs (Previous year ₹ Nil) {Equivalent to Euro 11.66 lacs (Previous Year Euro Nil)} is secured by first pari passu charges by way of hypothecation of all movable fixed assets of the company both present and future, excluding those exclusively charged to other Banks. The aforesaid loan is repayable in 16 quarterly instalments starting from November, 2015.
- Car loans from Banks and others are secured (charge created/to be created) by hypothecation of cars purchased there under are repayable in monthly installment over the period of loan.

Notes to the Balance Sheet

	(₹ in Lacs)	
	31.03.2015	31.03.2014
NOTE 5 OTHER LONG TERM LIABILITIES		
Trade Deposit	1,319.81	1,125.30
Security Deposit & Others (Refer Note No. 27.6)	621.33	683.60
	1,941.14	1,808.90
Less:-Current Maturities	27.81	27.81
	1,913.33	1,781.09
NOTE 6 LONG-TERM PROVISIONS		
Employees Benefits	330.83	302.23
	330.83	302.23
NOTE 7 SHORT-TERM BORROWING		
Secured Loans:*		
Working Capital Facilities from Banks		
Working Capital Demand Loans	-	800.00
Cash Credit	6,358.05	5,453.75
Buyer's Import Credit	1,591.97	968.53
Unsecured Loans:		
From Body Corporate (Repayable on demand)	-	60.00
	7,950.02	7,282.28
* Working Capital Facilities from Banks are secured by :		
i. First charge by way of hypothecation of stocks of raw materials, finished goods and stock in process, stores & spares and book debts and ranking <i>pari-passu</i> ; and		
ii. Second and subservient charge by way of Equitable Mortgage on all other assets, both present and future, of the company, both movable and immovable & ranking <i>pari-passu</i> , excluding assets exclusively charged. Charge over land exchange of about 3 acers at Kassar is to be created.		
NOTE 8 OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Borrowings	2,779.74	2,254.42
Interest Accrued But not Due on Borrowings	15.93	10.73
Interest Accrued and Due on Borrowings	41.92	39.23
Current Maturities of Other Long Term Liabilities	27.81	27.81
Statutory Dues	1,362.83	1,129.47
Capital Creditors (Refer Note No. 27.9)	186.47	139.81
Security Deposit	63.09	96.73
Advance from Customers	981.47	618.00
Unclaimed Dividends #	18.71	13.75
Other Liability (Refer Note No. 27.9)	3,197.45	2,458.58
	8,675.42	6,788.53

Investor Education & Protection Fund shall be credited when due.

Notes to the Balance Sheet

(₹ in Lacs)

	31.03.2015	31.03.2014
NOTE 9 SHORT TERM PROVISION		
Proposed Dividend	776.90	582.67
Corporate Dividend Tax	158.16	99.03
Income Tax	8,036.05	6,574.00
Fringe Benefit Tax	-	153.50
Employees Benefits	126.90	39.65
	9,098.01	7,448.85

NOTE 10 FIXED ASSETS

Particulars	GROSS CARRYING VALUE				DEPRECIATION/AMORTISATION			NET CARRYING VALUE		
	Book Value at 01.04.2014	Additions	Deductions/ Adjustments	Book Value at 31.03.2015	Up to 31.03.2014	For the year	Written Back / Adjustments	Up to 31.03.2015	As on 31.03.2015	As on 31.03.2014
A. TANGIBLE ASSETS										
1. (a) Freehold Land	581.39	-	-	581.39	-	-	-	-	581.39	581.39
(b) Leasehold Land	116.09	-	-	116.09	12.26	3.53	-	15.79	100.30	103.83
2. Buildings	5,912.91	404.63	-	6,317.54	2,338.99	626.23	-	2,965.22	3,352.32	3,573.92
3. Plant & Equipment	32,369.38	3,285.52	684.35	34,970.55	16,709.06	972.96	511.66	17,170.36	17,800.19	15,660.32
4. Furniture & Fixtures	1,331.60	219.93	46.09	1,505.44	741.89	211.03	41.53	911.39	594.05	589.71
5. Office Equipments	505.02	174.76	7.94	671.84	261.16	138.09	7.15	392.10	279.74	243.86
6. Vehicles	1,199.29	551.22	205.99	1,544.52	540.69	450.07	159.02	831.74	712.78	658.60
Sub Total (A)	42,015.68	4,636.06	944.37	45,707.37	20,604.05	2,401.91	719.36	22,286.60	23,420.77	21,411.63
Previous year	40,192.76	3,979.42	2,156.50	42,015.68	20,320.96	2,157.59	1,874.50	20,604.05		
B. INTANGIBLE ASSETS										
Computer Software	307.22	57.50	-	364.72	137.13	58.35	-	195.48	169.24	170.09
Sub Total (B)	307.22	57.50	-	364.72	137.13	58.35	-	195.48	169.24	170.09
Previous year	169.11	138.11	-	307.22	88.31	48.82	-	137.13	-	-
Total (A+B) Current Year	42,322.90	4,693.56	944.37	46,072.09	20,741.18	2,460.26	719.36	22,482.08	23,590.00	21,581.72
Previous year	40,361.87	4,117.53	2,156.50	42,322.90	20,409.27	2,206.41	1,874.50	20,741.18		

Note

- Plant & equipment includes machinery Gross ₹ 62.29 Lacs (Previous year ₹ 62.29 Lacs) lying with third parties, pending confirmation [Note No. 27.6].
- Furniture & Fixtures includes certain expenditure on lease hold premises Gross ₹ 397.23 Lacs WDV 195.57 Lacs (Previous year ₹ 359.01 Lacs WDV ₹ 183.78) which are amortised over the useful life of respective assets.
- Addition to Plant & Machinery includes foreign exchange profit amounting to ₹ 192.97 Lacs decapitalised (Previous year ₹ 239.91 Lacs capitalised).

Notes to the Balance Sheet

	(₹ in Lacs)	
	31.03.2015	31.03.2014
NOTE 11 NON-CURRENT INVESTMENTS		
Long term Investments (At cost less provision)		
Trade- Investment in Equity Shares		
A) Unquoted, fully paid up shares		
Subsidiary Companies		
(a) 185,000 Equity Shares (Previous year 185,000) of ₹ 10/- each of SR Continental Limited (including 7 Equity Shares of ₹ 10/- each fully paid up held in the name of nominees)	18.50	18.50
(b) 500,000 Equity Shares (Previous year 500,000) of ₹ 10/- each of Somany Global Ltd	50.00	50.00
(c) 5,304,000 Equity Shares (Previous year 5,304,000) of ₹ 10/- each of Amora Tiles Pvt Ltd	530.40	530.40
Joint Venture Companies		
773,000 Equity Shares (Previous year 773,000) of ₹ 10/- each of Somany Keraben Pvt Ltd	77.30	77.30
Associate Companies		
(a) 2,340,000 Equity Shares (Previous year 2,340,000) of ₹ 10/- each of Vintage Tiles Pvt Ltd	503.10	503.10
(b) 3,250,000 Equity Shares (Previous year 3,250,000) of ₹ 10/- each of Commander Vitrified Pvt Ltd	325.00	325.00
(c) 1,885,000 Equity Shares (Previous year 1,885,000) of ₹ 10/- each of Vicon Ceramics Pvt Ltd	188.50	188.50
(d) 1,460,000 Equity Shares (Previous year 1,460,000) of ₹ 10/- each of Acer Granito Pvt Ltd	511.00	511.00
(e) 415,765 Equity Shares (Previous year Nil) of ₹ 10/- each of Somany Sanitaryware Pvt Ltd (Formerly Sonec Sanitaryware Pvt Ltd)	56.91	-
(f) 2,000,000 Equity Shares (Previous year Nil) of ₹ 10/- each of Somany Fine Vitrified Pvt Ltd (Formerly Fine Vitrified Pvt Ltd)	200.00	-
Others		
Nil Equity Shares (Previous year 30,662) of ₹ 10/- each of Sonec Sanitaryware Pvt Ltd	-	18.40
	2,460.71	2,222.20
B) Quoted, fully paid up (Others)		
(a) 200,000 Equity Shares (Previous year 200,000) of ₹ 4/- each of Schablona India Ltd	20.00	20.00
(b) Nil Equity Shares (Previous year 250) of ₹ 10 each of Orient Bell Ltd (Including Bonus shares)	-	0.02
	20.00	20.02
Non Trade others-Quoted		
(a) 550 Equity Shares (Previous year 110) of ₹ 2/- each of Punjab National Bank Ltd.*	0.43	0.43
(b) 66,698 Equity Shares (Previous year 66,698) of ₹ 10/-each of Soma Textile & Industries Ltd.	10.74	10.74
	11.17	11.17
Total	2,491.88	2,253.39
Less: Provision for diminution in value of investment	86.37	86.37
	2,405.51	2,167.02
Aggregated Book Value of Quoted Investment	31.17	31.19
Market value of Quoted Investments	24.66	26.62
Aggregated Book Value of Unquoted Investment	2,460.71	2,222.20
Aggregated provision for diminution in value of investment	86.37	86.37

*Face value has been changed from ₹ 10/- to ₹ 2/-

Notes to the Balance Sheet

	(₹ in Lacs)	
	31.03.2015	31.03.2014
NOTE 12 LONG TERM LOAN AND ADVANCE		
(Unsecured, Considered Good Unless Stated Otherwise)		
Deposits		
- With Government Authorities	78.34	80.04
- With Related Parties	1,307.65	967.10
- With Others	368.39	277.39
Prepaid Expenses	0.39	4.70
Capital Advance	20.27	108.32
Others	27.01	10.56
Advance against Share Application Money {Refer note no 27.30 (ii)}	300.00	137.60
	2,102.05	1,585.71
NOTE 13 OTHER NON-CURRENT ASSETS		
Bank Deposit (Pledge with Government Department)	71.01	-
Fixed Deposits held as Margin Money with Banks/ Financial institutions	179.92	-
	250.93	-
NOTE 14 CURRENT INVESTMENTS		
(valued at lower of cost and quoted / fair value)		
Unquoted		
Trade deposit in bonds		
Nil (Previous year 100) RRBPNL 2026	-	1,000.00
Nil (Previous year 66) TGDC 2024	-	660.00
Nil (Previous Year 50,000) 11.50% SREINFRAFI 2019	-	500.00
Nil (Previous Year 50,000) 11.75% SREINFRAFI 2019	-	500.00
123 Unit (Previous Year Nil) 9.6% NEEPCO 2024	1,259.17	-
39 Unit (Previous Year Nil) 10.25% AADHAR HOUSING FINANCE 2020	392.34	-
25 Unit (Previous Year Nil) 12.5 % SREI EQUIPMENT FINANCE LTD	252.50	-
Quoted		
Trade investment in mutual fund		
Nil (Previous Year 10,678.004) SBI MAGNUM-GROWTH	-	300.00
Nil (Previous Year 227,899.191) ICICI MONEY MARKET-GROWTH	-	400.00
Nil (Previous Year 1,755,679.624) SBI MAGNUM Income FR-SPB-RP-GROWTH	-	350.00
42,568.834 Unit (Previous Year Nil) SBI ULTRA SHORT TERM DEBT FUND-RP-GROWTH	762.00	-
	2,666.01	3,710.00
Less:- Provision for diminution in value of investment	-	-
	2,666.01	3,710.00
Aggregate book value of quoted investments	762.00	1,050.00
Aggregate market value of quoted investments	764.08	1,057.05
Aggregate book value of unquoted investments	1,904.01	2,660.00
Aggregate market value of unquoted investments*	1,904.01	2,660.00
* As the market value of the Bonds is not available, purchase value is considered as market value.		

Notes to the Balance Sheet

	(₹ in Lacs)	
	31.03.2015	31.03.2014
NOTE 15 INVENTORIES		
(Valued at Lower of Cost and Net Realisable Value) (As taken , Valued and Certified by the Management)		
Raw Materials & Packing Material (Including Goods in transit ₹ 3.61 Lacs ,Previous Year ₹ 2.17 Lacs)	1,076.71	1,137.04
Work -in-Process	305.62	261.43
Finished Goods	5,202.88	3,132.08
Stock in Trade (Refer Note No.27.29) (Including Goods in transit ₹ 553.79 Lacs,Previous Year ₹ 10.76 Lacs)	4,705.76	2,492.93
Stores and Spares	1,435.31	1,551.03
	12,726.28	8,574.51
NOTE 16 TRADE RECEIVABLES		
(Unsecured, Considered Good Unless Stated Otherwise) Exceeding Six month from Due Date		
i) Good	883.34	670.21
ii) Doubtful	161.59	155.27
	1,044.93	825.48
Less: Provision for Doubtful Debt	161.59	155.27
	883.34	670.21
Others*	24,463.56	20,631.93
	25,346.90	21,302.14
{*Including ₹ 52.61 lacs (Previous year ₹ 3.01 lacs) receivable from related parties}		
NOTE 17 CASH & BANK BALANCES		
Cash & Cash Equivalents (As certified by the management)		
Cash in Hand	19.12	18.38
Draft / Cheque in hand	-	0.19
Balance with Banks :		
Current Accounts	1,094.38	1,588.19
Bank Deposit with maturity of 3 months or less	36.96	1,136.09
Earmarked Balance with Banks		
Bank Deposit (Pledge with Government Department)	110.49	71.18
Less:- Shown Under "Other Non-Current Assets"(More than 12 months)	(71.01)	-
Unclaimed Dividend Accounts	18.71	13.75
Other Bank Balance		
Fixed Deposits held as Margin Money with Banks/ Financial institutions	429.08	439.50
Less:- Shown Under "Other Non-Current Assets"(More than 12 months)	(179.92)	-
	249.16	439.50
	1,457.81	3,267.28

Notes to the Balance Sheet

	(₹ in Lacs)	
	31.03.2015	31.03.2014
NOTE 18 SHORT TERM LOANS AND ADVANCES		
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposit:-		
- To Related Parties	300.00	-
- To Others	100.00	7.50
Advance Income Tax / Tax Deducted at Source	8,150.58	6,772.19
Balance with Government Authorities	1,414.83	1,062.55
Deposits		
- With Related Parties	300.00	-
- With Others	58.85	21.33
Prepaid Expenses	127.27	142.25
Other Advances	1,212.11	882.88
	11,663.64	8,888.70
NOTE 19 OTHER CURRENT ASSETS		
Accrued Interest	176.12	146.61
Export Incentive Receivable	82.01	49.94
Derivative Financial Assets	-	8.92
	258.13	205.47

Notes to the Statement of Profit & Loss

	(₹ in Lacs)	
	31.03.2015	31.03.2014
NOTE 20 REVENUE FROM OPERATION		
Sales of manufactured goods (tiles)	62,345.05	64,377.45
Sales of traded goods	97,484.58	68,157.61
Other operating revenue		
Scrap Sales	225.23	235.96
Liabilities No Longer Required Written Back (Net)	-	6.74
Sundry Balance Written Back (Net)*	-	15.52
Income From Services	488.21	92.37
Gain on Foreign Exchange Fluctuations (Net)	129.73	-
Insurance Claim	129.71	60.85
	160,802.51	132,946.50
Less: Excise Duty	6,697.64	6,979.10
	154,104.87	125,967.40

* Net of Sundry Balance Written Off Nil (Previous Year ₹ 2.02 Lacs)

NOTE 21 OTHER INCOME		
Interest Received	488.29	216.24
Dividend on long term Investments (₹125/-)	0.00	0.07
Rent and Lease Rent Received	5.52	1.03
Profit on Sale of Fixed Assets	40.01	30.56
Profit on Sale of Short Term Investments	183.36	8.34
Profit on Sale of Long Term Investments	0.37	0.77
Miscellaneous Receipts	65.84	17.34
	783.39	274.35

NOTE 22 COST OF MATERIALS CONSUMED		
Raw Material Consumed	13,842.03	13,959.65
Packing Material Consumed	3,154.86	3,056.93
	16,996.89	17,016.58

Notes to the Statement of Profit & Loss

	(₹ in Lacs)	
	31.03.2015	31.03.2014
NOTE 23 CHANGE IN INVENTORIES OF FINISHED GOODS		
Work-in-progress and Stock-in-Trade		
Closing Stock*		
Finished Goods	5,202.88	3,132.08
Stock-in-Trade	4,151.97	2,482.17
Total Finished Goods	9,354.85	5,614.25
Work-in-Process	305.62	261.43
	9,660.47	5,875.68
Less: Opening Stock*		
Finished Goods	3,132.08	4,721.43
Stock-in-Trade	2,482.17	3,811.53
Total Finished Goods	5,614.25	8,532.96
Work-in-Process	261.43	338.63
	5,875.68	8,871.59
(Increase)/ Decrease in Stock	(3,784.79)	2,995.91
Add / (Less): (Increase) Decrease in Excise duty on Stock	(276.98)	169.60
	(3,507.81)	2,826.31
* Excluding Goods in Transit		
NOTE 24 EMPLOYEE BENEFIT EXPENSE		
Salary, Wages, Bonus etc.	8,452.64	7,464.80
Contribution to Provident Fund and Other Funds	602.47	399.83
Workmen & Staff Welfare	480.94	364.77
	9,536.05	8,229.40
NOTE 25 FINANCE COST		
Interest	1,524.96	1,729.91
Other Borrowing Cost	105.75	100.25
	1,630.71	1,830.16

Notes to the Statement of Profit & Loss

	(₹ in Lacs)	
	31.03.2015	31.03.2014
NOTE 26 OTHER EXPENSES		
Stores and Spare Parts Consumed	2,482.93	2,316.76
Power & Fuel	17,762.53	16,472.33
Repairs and Maintenance:		
Buildings	152.60	109.85
Plant & Machinery	224.49	186.47
Others	131.04	110.81
Rent	580.87	491.72
Rates & Taxes	234.49	175.51
Insurance	261.72	248.08
Travelling & Conveyance Expenses	1,226.60	1,110.44
Exchange Rate Difference (Net)	-	194.45
Directors' Fees	6.45	5.65
Non Executive Directors' Commission	36.51	30.58
Selling & Distribution Expenses	3,141.52	2,501.24
Discount	1,793.88	1,367.26
Freight Outward and Handling Charges	3,324.99	2,848.26
Advertisement & Sales Promotion Expenses	2,891.40	1,961.01
Commission to Agents	337.84	305.70
CSR Expenses	96.84	0.26
Provision for Doubtful Debts	6.32	27.54
Bad Debts	17.99	-
Sales Tax Paid	-	-
Provision for Diminution in Value of Long Term Investment	-	0.77
Prior Period Adjustment(Net)	9.26	1.06
Sundry Balances Written Off*	88.00	-
Legal & Professional Expenses	352.34	224.43
Loss on Sale of Fixed Assets	63.45	52.22
Fixed Assets Discard /Written Off	101.99	164.74
Other Expenses	1,088.85	912.27
	36,414.90	31,819.41

* Net of Sundry Balance/Liabilities no Longer Required Written Back ₹ 90.80 Lacs (Previous Year Nil)

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

NOTE 27 EXPLANATORY NOTES

27.1 Contingent liabilities and commitments (to the extent not provided for) (As certified by the Management)

		(₹ in Lacs)	
S. No.	Particulars	31.03.2015	31.03.2014
A) (i)	Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances]	131.07	712.31
	ii) Contingent liabilities not provided for in respect of: (As certified by the Management)		
	a) Claims and other demands against the Company not acknowledged as debts.	288.76	204.01
	b) Sales tax and purchase tax demands, among others against which the Company has preferred appeals.	226.29	247.09
	c) Excise and custom duty (excluding interest and penalty) and service tax demands and show-cause notices issued against which the Company/Department has preferred appeals/filed replies.	426.59	353.39
	d) Disputed income tax and wealth tax demand (excluding penalty if any)	89.23	194.10
	e) Against the imposition of Local Area Development Tax (LADT) levied by Haryana Government, the Hon'ble Supreme Court of India vide its order dated 10th May, 2006 has accepted the Company's application for stay. Further, Hon'ble Supreme Court vide their order dated 30th October, 2009 stated the assesses to file the LADT returns; however, no recovery of tax will be made till further order. In the meantime, the Haryana Government has repealed the LADT Act and introduced another Act by the name of 'Entry Tax' on the same line, which was also been held ultra vires by the Hon'ble Punjab and Haryana High court. Pending the final Order of the Hon'ble Supreme Court on the above matter and there is no Act either LADT / Entry Tax prevalent in Haryana, no provision for the same is considered necessary by the Company for the period from 1st April, 2006.	676.07	603.30
	f) Demand notice from ESIC	15.41	-
	iii) Bond executed in favour of sales tax/custom authorities.	25.00	25.00
B)	Outstanding Corporate Guarantee to banks in respect of various fund/non fund based facilities extended to subsidiary/other body corporates.	3434.00	3720.00

27.2 During the financial year 2012-13, a demand of ₹ 925.65 lacs (including interest of ₹ 97.41 lacs) for difference between market rate (Non-APM) and contracted price (APM) of gas for the period from 1st July, 2005 to 31st March, 2010 has been raised by GAIL (India) Limited (GAIL). After considering further debit notes on account of interest / bank charges for the past periods, the total demand increased to ₹1,218.56 lacs (including interest of ₹ 390.32 lacs) as on 31st March 2015. The Company along with others filed a Special Civil Application (SCA) which was admitted by the Hon'ble Gujarat High Court on submission of bank guarantee of ₹ 118 lacs. On 4th August, 2014, Hon'ble Supreme Court of India passed an order to transfer the case to this Court on the basis of transfer petition filed by the GAIL. Pending decision / further direction, no provision in this regard is considered necessary by the Company.

27.3 In terms of Long Term Gas supply Agreements (GSAs) with GAIL (India) Limited and Indian Oil Corporation Limited (jointly referred to as 'Sellers') which are valid till period ending April 2028 and December 2016 respectively, there are under drawn quantities of Re-Liquified Natural Gas (RLNG) equivalent to Rs 6090.94 Lacs for the calendar year 2014. Against this the company has received demand notices from Sellers aggregating to ₹ 2415.45 lacs only representing an aggregate under drawn quantity of 242490 MMBTU. If these demands are paid, the same will be treated as advance in accounts as the company will be eligible to take under drawn quantities of RLNG including that for calendar year 2014 in subsequent contract years subject to Sellers' operational flexibility and price adjustments. The Company has also represented to Sellers for reducing the said amounts demanded which is pending resolution.

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

Further in view of proposed increase in production capacity by 4 million square meters per annum at Kassar unit and also generally a decreasing trend in prices of the said RLNG in recent months, Management is confident about utilization of under drawn RLNG as above in subsequent contract years. Accordingly pending resolution and in view of proposed use of RLNG in future as stated above, no effect of the same has been given in these accounts.

- 27.4** Sales includes insurance recovered of ₹ 871.89 lacs (Previous year ₹ 260.46 lacs), export benefits of ₹ 150.90 lacs (Previous year ₹ 99.65 lacs) and net of trade discounts and returns.
- 27.5** Since it is not possible to ascertain with reasonable certainty the quantum of accrual in respect of certain insurance and other claims and interest on overdue bills from customers, the same are continued to be accounted for as and when received/settled.
- 27.6** Other long-term liabilities include encashment of bank guarantee in earlier years amounting to ₹ 202.50lacs (Previous year ₹ 202.50 lacs) provided by the supplier of machinery. The supplier of machinery has challenged the encashment of bank guarantee and the case is pending before Hon'ble High Court of Delhi and Kolkata. Pending final decision, no adjustment has been carried out in accounts and above amount is shown under long term liabilities.
- 27.7** Out of ₹ 5,000.00 lacs raised through private placement of equity shares in February, 2014, the company has so far utilized ₹ 2,650.00 lacs (including issue expenses of ₹ 145.94 lacs) for the purposes for which the same were raised. The balance ₹ 2,350.00 lacs remain temporarily invested in the bonds / debt schemes of mutual funds.
- 27.8** Other Advances under Short term Loan and Advances includes amount due from a JV Company Somany Keraben Private Limited (SKPL) amounting to ₹ 13.99 lacs (Previous year 13.99 lacs), which is considered good for recovery by the company.
- 27.9** The Company has not received full information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT); hence, disclosure relating to amount unpaid at year end together with interest paid/payable have been given based on the information so far available with the Company/identified by the Company management. The detail of the same is as under:

		(₹ in Lacs)	
S. No.	Particulars	31.03.2015	31.03.2014
a)	i) Principal amount remaining unpaid at the end of the accounting year	-	-
	ii) Interest due on above	-	-
b)	i) Interest paid by the Company in terms of Section 16 of MSMED Act.	-	-
	ii) Payment made to supplier beyond the appointed day during the year.	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this Act.	-	-
d)	The amount of interest accrued and remaining unpaid at the end of financial year.	-	-
e)	The amount of further interest remaining due and payable even in succeeding years, until such date when the interest due as above are actually paid.	-	-

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

27.10 The major components of Deferred Tax Liability and Deferred Tax Assets are as under :

Particulars	(₹ in Lacs)	
	31.03.2015	31.03.2014
Deferred Tax Liability		
Related to Depreciable Assets	2,964.76	2,877.88
Deferred Tax Assets		
Provisions for Doubtful Debts	54.93	52.78
Disallowance under Income Tax Act, 1961	167.65	75.20
	222.58	127.98
Deferred Tax Liability (Net)	2,742.18	2,749.90
Deferred tax Liability/(Assets) for the year	(7.72)	131.90

27.11 EMPLOYEE BENEFITS

(a) The status of the gratuity, leave encashment and sick leave as at 31st March, 2015 is as follows:

Particulars	Gratuity (Funded)	Earned Leave Encashment and Sick Leave (Non-Funded)	Gratuity (Funded) (Previous Year)	Earned Leave Encashment and Sick Leave (Non-Funded) (Previous Year)
I Expense recognised in the statement of Profit and Loss				
a) Current service cost	88.24	57.65	114.53	15.68
b) Past service cost	-	-	-	-
c) Interest cost	62.90	27.35	68.83	23.43
d) Expected return on plan assets	(72.51)	-	(58.65)	-
e) Curtailment cost /(credit)	-	-	-	-
f) Settlement cost /(credit)	-	-	-	-
g) Net actuarial (gain)/loss recognised in the period	85.94	24.98	(118.06)	90.15
h) Total expenses	164.57	109.98	6.65	129.26
II Net assets/(liability) recognised in the Balance sheet				
a) Present value of obligation as at the end of the period	1,016.14	363.53	786.30	341.88
b) Fair value of plan assets as at the end of the period	921.95	-	805.68	-
c) Funded status	(94.19)	(363.53)	19.38	(341.88)
d) Net asset/(liability) recognised in balance sheet	(94.19)	(363.53)	-	(341.88)
III Change in present value of obligation				
a) Present value of obligation as at the beginning of the period*	786.30	341.88	769.65	285.10
b) Acquisition adjustment	-	-	-	-
c) Interest cost	62.90	27.35	68.83	23.43
d) Past service cost	-	-	-	-

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

Particulars	Gratuity (Funded)	Earned Leave Encashment and Sick Leave (Non-Funded)	Gratuity (Funded) (Previous Year)	Earned Leave Encashment and Sick Leave (Non-Funded) (Previous Year)
e) Current service cost	88.24	57.65	114.53	15.68
f) Curtailment cost/(credit)	-	-	-	-
g) Settlement cost/(credit)	-	-	-	-
h) Benefits paid	(94.42)	(88.34)	(47.67)	(72.48)
i) Actuarial (gain)/loss on obligation	173.12	24.98	(119.04)	90.15
j) Present value of obligation as at the end of period	1,016.14	363.53	786.30	341.88
IV Changes in the fair value of plan assets				
a) Fair value of plan assets at the beginning of the period	805.68	-	718.17	-
b) Acquisition adjustment	-	-	-	-
c) Expected return on plan assets	72.51	-	58.65	-
d) Contributions	51.00	-	77.51	-
e) Benefits paid	(94.42)	-	(47.67)	-
f) Actuarial gain/(loss) on plan assets	87.18	-	(0.98)	-
g) Fair value of plan assets at the end of the period	921.95	-	805.68	-
V The Major Category of plan assets as a percentage of total plan				
Mutual Funds	100%	-	96%	100%
Government securities	0%	-	0%	0%
Bank	0%	-	4%	0%
VI Actuarial Assumptions				
Economic Assumptions:				
Discounting rate	8.00%	8.00%	9.20%	8.00%
Future salary increase	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	9.00%	0.00%	8.00%	0.00%
Demographic Assumptions:				
Retirement age	58	58	58	58
Economic Assumptions:				

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

Particulars	Gratuity (Funded)		Earned Leave Encashment and Sick Leave (Non-Funded)		Gratuity (Funded) (Previous Year)	Earned Leave Encashment and Sick Leave (Non-Funded) (Previous Year)
	IALM (2006-08)				IALM (2006-08)	
Mortality table	Age	Withdrawal Rate %	Age	Withdrawal Rate %		
Withdrawal Rates	Upto 30 years	3.00%	Upto 30 years	3.00%	1.50%	1.50%
	31 to 44 years	2.00%	31 to 44 years	2.00%		
	Above 44 years	1.00%	Above 44 years	1.00%		

Particulars	Gratuity					Leave Encashment				
	31.03.15	31.03.14	31.03.13	31.03.12	31.03.11	31.03.15	31.03.14	31.03.13	31.03.12	31.03.11
Present Value of Obligation	1,016.14	786.30	769.65	679.88	604.87	363.53	341.88	285.10	216.61	171.54
Fair Value of Plan Assets	921.95	805.68	718.17	674.21	705.66	-	-	-	-	-
Surplus / (Deficit)	(94.19)	19.38	(51.48)	(5.67)	100.79	(363.53)	(341.88)	(285.10)	(216.61)	(171.54)
Experience adjustment on Plan Liabilities (Gain) / Loss	173.12	(119.04)	57.33	43.20	66.06	24.98	90.15	(0.88)	44.76	19.77
Experience adjustment on Plan Assets (Gain) / Loss	(87.18)	0.98	(20.99)	32.90	9.67	-	-	-	-	-

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

(b) Amounts recognised as an expense/ (income) and included in the Note Number 24 are as under:

- 'Salary, Wages, Bonus etc.' of the statement of Profit and Loss includes ₹ 135.99 lacs (Previous year ₹ 129.26 lacs) towards Earned Leave Encashment and Sick Leave.
- 'Contributions to Provident and other Funds' of the statement of Profit and Loss includes ₹ 394.88 lacs (Previous year ₹ 356.53 lacs) towards contribution to Provident Fund [including ₹ 129.05 lacs (Previous year ₹ 128.51 lacs) towards Somany Provident Fund, a multi-employer plan, refer to (c) below].

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

iii) 'Contributions to Provident and other Funds' of the statement of Profit and Loss includes ₹ 207.59 lacs (Previous year ₹ 43.29 lacs) towards contribution to Gratuity Fund.

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

27.12 The business activity of the Company falls within a single business segment viz. 'Ceramic Tiles and allied products' and mainly sale of the product is within the country. Hence, the disclosure requirement of Accounting Standard 17 of 'Segment Reporting not considered applicable.

27.13 Related Party Transactions (As certified by the Management)

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

Subsidiary Company

SR Continental Limited

Somany Global Limited

Amora Tiles Private Limited

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

1. Joint Venture

Somany Keraban Private Ltd.

2. Key Management Personnel

Mr. Shreekant Somany, Chairman & Managing Director

Mr. Abhishek Somany, Joint Managing Director (Son of Chairman & Managing Director)

Mr. G.G. Trivedi, CEO*

Mr. Amrish Julka, DGM (Legal) & Company Secretary*

3. Relatives of Key Management Personnel

Mrs. Anjana Somany, Additional Director (w.e.f. 24th March, 2015) (Wife of Chairman & Managing Director)

Mrs. Minal Somany (Wife of Joint Managing Director)

Mrs. Kala Trivedi (Wife of CEO)*

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

4. Associate Company

Vintage Tiles Private Limited

Commander Vitrified Private Limited

Vicon Ceramic Private Limited

Acer Granito Private Limited

Somany Sanitary Ware Private Limited (w.e.f. 27th November, 2014)(Formerly Sonec Sanitary Ware Pvt Ltd)

Somany Fine Vitrified Private Limited (w.e.f. 20th January, 2015)(Formerly Fine Vitrified Pvt Ltd)

5. Enterprise over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year*:

Vidres India Ceramics Private Limited

Yogi Cerachem Private Limited

Ishiv India Solutions Private Limited

6. Other related parties with which Company has transactions*:

Biba Apparels Private Limited – Private company in which director is a director

Wolkem India Limited – Public company in which director is a director and holds more than 2% shares alongwith relatives

G.L. Sultania & Co. – Firm in which director is proprietor

* Related w.e.f. 1st April, 2014 pursuant to the Companies Act, 2013

C. The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis:

	(₹ in Lacs)	
	31.03.2015	31.03.2014
SR Continental Ltd.		
Purchase of goods	327.43	336.11
Sale of goods	16.90	4.56
Job work charges	32.85	34.39
Rent Received	0.06	0.06
Rent paid	1.08	1.08
Payment made on their behalf	25.79	28.18
Outstanding at the year-end:		
Trade Receivable	1.81	0.93
Trade Payable	12.77	38.85
Co-surety taken	12.50	12.50
Somany Global Ltd.		
Payment made on their behalf	6.27	5.47
Sales of goods (including samples)	58.79	192.52

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

	(₹ in Lacs)	
	31.03.2015	31.03.2014
Outstanding at the year-end:		
Advance received against supply	0.86	0.15
Amora Tiles Private Limited		
Investment made	-	530.40
Purchase of goods	7,897.06	50.72
Technical services provided	180.00	-
Sale of goods	25.28	
Interest Received	35.35	2.85
Deposit given	250.00	144.60
Deposit received back	-	100.00
Corporate Guarantee given	-	2,490.00
Outstanding at the year-end:		
Trade Payable	255.43	50.50
Trade Receivable	30.65	-
Deposits	294.60	44.60
Interest receivable	-	2.57
Corporate Guarantee given	2,490.00	2,490.00
Somany Keraben Private Ltd.		
Payment made on behalf of Somany Keraben Pvt. Ltd.	-	4.49
Outstanding at the year-end (Advance recoverable)	13.99	13.99
Mr. Shreekant Somany		
Remuneration paid	220.94	158.27
Commission	92.24	98.02
Mr. Abhishek Somany		
Remuneration paid	166.28	139.18
Commission	146.90	117.11
Rent paid	8.00	7.57
Outstanding payable at the year end	0.61	0.59
Mrs. Minal Somany		
Remuneration paid	26.65	23.90
Rent paid	25.16	16.59
Outstanding payable at the year end	1.93	1.89
Mr. G.G. Trivedi		
Remuneration paid	113.00	-
Mrs. Kala Trivedi		
Rent paid	2.74	-
Mr. Ambrish Julka		
Remuneration paid	17.72	-
G.L. Sultania & Co.		
Consultancy fee paid	6.00	-

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

	(₹ in Lacs)	
	31.03.2015	31.03.2014
Vintage Tiles Private Limited		
Purchase of goods	10,133.79	9,841.61
Technical services provided	93.60	35.10
Interest Received	50.10	31.62
Deposit given	-	200.00
Inter Corporate Deposit given	300.00	-
Outstanding at the year-end:		
Trade Payable	364.79	164.03
Deposits	226.00	226.00
Interest Receivable	16.74	21.71
Inter Corporate Deposit	300.00	-
Commander Vitrified Private Limited		
Purchase of goods	18,930.64	10,240.87
Sale of goods	16.60	14.38
Technical services provided	187.20	46.80
Interest Received	19.64	21.08
Deposit given	300.00	-
Deposit received back	9.45	-
Outstanding at the year-end:		
Trade Payable	738.81	355.47
Trade Receivable	20.15	2.08
Deposits	460.55	170.00
Interest Receivable	17.69	18.97
Vicon Ceramic Private Limited		
Investment made	-	188.50
Purchase of goods	4,751.19	7.93
Interest Received	34.74	3.85
Deposit given	100.00	226.50
Outstanding at the year-end:		
Trade Payable	325.55	9.11
Deposits	326.50	226.50
Interest Receivable	34.73	3.47
Acer Granito Private Limited		
Investment made	-	511.00
Purchase of goods	9,400.89	540.91
Technical services provided	26.00	6.50

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

	(₹ in Lacs)	
	31.03.2015	31.03.2014
Interest Received	59.79	4.34
Deposit given	-	300.00
Inter Corporate Deposit given	550.00	
Inter Corporate Deposit received back	550.00	
Outstanding at the year-end:		
Trade Payable	774.63	68.78
Deposits	300.00	300.00
Interest Receivable	32.40	3.91
Somany Sanitary Ware Private Limited		
Investment made	38.51	-
Share Application Money paid	100.00	-
Purchase of goods	810.19	-
Outstanding at the year-end:		
Advance against supply	24.84	-
Somany Fine Vitrified Private Limited		
Investment made	200.00	-
Share Application Money paid	200.00	-
Ishiv India Solutions Pvt. Ltd.		
Purchase of goods	122.55	-
Services received	31.21	-
Outstanding at the year-end:		
Trade Payable	8.55	-
Wolkem India Limited		
Purchase of goods	16.96	-
Biba Apparels Private Limited		
Sale of goods	24.62	-
Outstanding at the year-end:		
Advance received against supply	0.70	-
Yogi Cerachem Private Limited		
Purchase of goods	70.47	-
Outstanding at the year-end:		
Trade Payable	11.48	-
Vidres India Ceramics Private Limited		
Purchase of goods	1,671.20	-
Outstanding at the year-end:		
Trade Payable	133.05	-

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

27.14 Interest in Joint Venture Company

- a) Company's contribution in the joint venture (by the name Somany Keraben Private Ltd., a 50:50 Joint Venture Company) till 31st March, 2015 is ₹ 77.30 lacs (Previous year ₹ 77.30 lacs) towards share capital of Joint Venture entity.

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

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

- b) The Company's share in the aggregate amounts of each of the assets, liabilities, income, expense, contingent liabilities and capital commitments as at / for the years ended 31st March, 2015 in the above company, as per its audited financial statements is as under:

Proportion of Company's Interest in JVC	(₹ in Lacs)	
	31.03.2015 (Audited)	31.03.2014 (Audited)
Assets		
Fixed assets(net block) (including CWIP)	-	-
Cash and bank balances	1.29	1.40
Trade Receivables	-	-
Loans and advances	0.60	0.60
Liabilities.		
Current liabilities and provisions	11.39	11.32
Income		
Other incomes	-	4.88
Expenses		
Administrative and other expenses	0.18	6.51
Depreciation	-	-
Contingent Liabilities	-	-
Capital Commitment	-	-
Year-end Balance (Advance recoverable)	13.99	13.99

- c) Both the parties have agreed to contribute in the increased share capital by ₹ 12.00 lacs(each) post balance sheet date of the joint venture company.

27.15 Earnings Per Share

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

	31.03.2015	31.03.2014
Profit/(Loss) attributable to the equity shareholders (₹ in Lacs)(A)	4,438.25	2,803.07
Weighted average number of equity shares outstanding during the year (B)	38,844,826	34,997,298
Nominal value of equity shares (₹)	2	2
Basic earnings per share (₹) (A/B)	11.43	8.01
Diluted earnings per share (₹) (A/B)	11.43	8.01

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

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

	(₹ in Lacs)	
	31.03.2015	31.03.2014
Opening Balance	1.42	101.76
i) Raw material consumed (net)	4.61	-
ii) Power and Fuel cost	36.94	-
iii) Salaries and Wages	42.77	-
iv) Interest	44.06	-
v) Legal and Professional charges	-	1.22
vi) Foreign Technology expenses	-	0.20
vii) Others	23.04	-
Total	152.84	103.18
Less: Allocated to fixed assets / adjusted	152.84	101.76
Closing Balance	-	1.42

27.17 Loans and Advances pursuant to Clause 32 of the Listing Agreement:

Loans and Advances (in the nature of Loans) (Repayable on demand)	Outstanding as at 31.03.2015	Maximum Amount Outstanding during the year	Outstanding as at 31.03.2014	Maximum Amount Outstanding during the previous year
Associate:				
Vintage Tiles Pvt. Ltd.	300.00	300.00	-	-
Acer Granito Pvt. Ltd.	-	550.00	-	-

27.18 A sum of ₹ 96.84 lacs have been provided towards Corporate Social Responsibility (CSR) and same included under Other Expenses. Out of which ₹ 9.74 lacs was spent and the balance amount of ₹ 87.10 lacs would be utilized for CSR activities in subsequent years.

27.19 During the current year, the Company has computed depreciation based on useful life of the fixed assets as specified under schedule II of the Companies Act, 2013. The carrying value of the fixed assets which have completed their useful lives as on 1st April, 2014 has been charged against the balance in General Reserve of amounting to ₹ 154.08 lacs (net of deferred tax ₹ 79.34 lacs). Had there not been any change in the useful life of the fixed assets, the depreciation would have been higher by ₹ 216.47 lacs for the year ended 31st March 2015 and to that extent profit would have been lower.

27.20 The Company has not provided diminution in the value of certain unquoted long term strategic investments, since in the opinion of Board, such diminution in their value is temporary in nature, considering the inherent value, nature of investments, the investees' assets and expected future cash flow from such investments.

27.21 Research and development expenditure on revenue account amounting to ₹ 66.82 lacs (Previous year ₹ 58.32 lacs) has been charged to statement of profit and loss.

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

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

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

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

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

Particulars	Amount (In Foreign Currency) 31.03.2015		Amount (In Lacs equivalent) 31.03.2015		Amount (In Foreign Currency) 31.03.2014		Amount (In Lacs equivalent) 31.03.2014	
	Derivatives							
Forward contract	-	-	-	-	USD 400,000			240.44
Open Exposures								
Receivables	USD 668,132			416.05	USD 528,947			314.56
Receivables	-			-	GBP 11,724			11.58
Payables	USD 3,376,793			2,122.99	USD 199,665			120.02
Payables	EURO 1,156,682			789.32	EURO 2,391,988			1987.74

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

27.26 Payments to Auditors:

Particulars	Amount (₹ in Lacs)	
	31.03.2015	31.03.2014
Statutory audit fees	6.75	6.75
Tax audit fees	2.00	2.00
Certification fee	1.25	1.25
Other services	1.65	2.85
Reimbursement of expenses	0.54	0.52
Total	12.19	13.37

27.27 Trade payables include acceptances of ₹ 11,445.83 lacs (Previous year ₹ 9,887.83 lacs).

27.28 In accounting year ended 31.03.2007, the Company took an office premises on sub-lease for a term of 75 year. The lease has been recognised as an asset at the present value of the minimum lease payment. Minimum lease payment in future at the balance sheet date and their present value are as under:

Particulars	31.03.2015		31.03.2014	
	Lease Payments	Present Value	Lease Payments	Present Value
Not later than one year	0.47	0.15	0.47	0.17
Later than one year and not later than five years	1.97	0.46	1.94	0.52
Later than five years	42.32	0.75	42.82	0.85

27.29 A. PURCHASES AND SALES OF TRADING GOODS

Particulars	31.03.2015			31.03.2014		
	Tiles	Others	Total	Tiles	Others	Total
Purchases	77,219.50	7,820.42	85,039.92	54,074.14	3,837.37	57,911.51
Sales	88,848.63	8,635.95	97,484.58	62,572.19	5,585.43	68,157.62

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

B. Raw Material/Packing Material Consumed

Particulars	(₹ in Lacs)	
	31.03.2015	31.03.2014
Clay and minerals*	6,411.02	6,387.40
Chemicals and glaze materials*	7,435.62	7,572.25
Packing material	3,154.86	3,056.93
Total	17,001.50	17,016.58

* Includes ₹ 4.61 lacs which is capitalised

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

	Raw Materials / Packing Material				Stores, Spares among others			
	31.03.2015		31.03.2014		31.03.2015		31.03.2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Imported	285.02	1.68	422.60	2.48	831.84	33.50	757.72	32.71
Indigenous	16,716.48	98.32	16,593.98	97.52	1,651.09	66.50	1,559.04	67.29
Total	17,001.50	100.00	17,016.58	100.00	2,482.93	100.00	2,316.76	100.00

D. Details of Work-in-process

Particulars	31.03.2015	31.03.2014
Body	28.42	21.18
Glaze	161.99	156.01
Semi-finished goods	115.21	84.24
Total	305.62	261.43

E. C.I.F. Value of Imports

	31.03.2015	31.03.2014
Raw Materials	230.21	351.98
Spare parts	727.43	523.04
Capital goods	1,664.98	724.64
Trading goods	2,376.40	1625.73

F. Expenditure in Foreign Currency

	31.03.2015	31.03.2014
Travelling Expenses	73.69	95.69
Commission to selling agents	67.02	26.72
Export Expenses	4.05	8.01
Exhibition Expenses	43.28	42.45
Others	24.59	20.16

G. Earnings in Foreign Currency

	31.03.2015	31.03.2014
Exports on FOB basis	5,641.04	2,859.99

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

H. Details of Investment made, Loan and Guarantee given covered under section 186(4) of Companies Act, 2013

Investment made is given under respective heads.

Name	Rs. in lacs	Purpose
Loan Given:		
Vintage Tiles Pvt. Ltd.	300.00	For expansion cum modernization project
Fratelli Wines Pvt. Ltd.	100.00	For short term business requirement
Corporate Guarantee Given:		
Schablona India Ltd.	944.00	For financial assistance / credit facilities availed
Amora Tiles Pvt. Ltd.	2,490.00	For financial assistance / credit facilities availed

27.30 (i) Details of Investment made during the year in terms of the Shareholders Agreement:

Particulars	Investment Amount	No. of shares allotted	Date of Allotment	% of total share capital
Somany Sanitary Ware Pvt. Ltd. (Formerly Sonec Sanitary Ware Pvt. Ltd.)	38.51	3,85,103	27/11/2014	44.61%
Somany Fine Vitrified Pvt. Ltd. (Formerly Fine Vitrified Pvt. Ltd.)	200.00	20,00,000	20/01/2015	26.67%

(₹ in Lacs)

(ii) In order to increase its shareholding in the above stated two companies to 51% of total issued and subscribed capital in aforesaid companies, the Company has further paid following sums:

Somany Sanitary Ware Pvt. Ltd.*	₹ 100.00 lacs
Somany Fine Vitrified Pvt. Ltd.*	₹ 200.00 lacs

* stated amount paid has been shown as 'Advance against Share Application Money' under Long Term Loans and Advances.

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

27.31 The Company has entered into long term supply agreements (LTA or Agreements) with Vintage Tiles Pvt. Ltd., Commander Vitrified Pvt. Ltd., Amora Tiles Pvt. Ltd., Acer Granito Pvt. Ltd., Vicon Ceramic Pvt. Ltd., Somany Sanitaryware Pvt. Ltd. and Somany Fine Vitrified Pvt. Ltd. By the said agreements the Company has right to buy and sell the entire production of tiles / sanitaryware of companies stated in/under its Own Brand.

As liability will accrue / arise as and when purchase will be made under LTA. Hence under the agreements there is no material foreseeable losses as on date in the opinion of the management.

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

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

N. K. LODHA
Partner
M.NO. 85155

Place : New Delhi
Dated : The 18th Day of May, 2015

For and on behalf of Board of Directors

SHREEKANT SOMANY
Chairman & Managing Director

ABHISHEK SOMANY
Joint Managing Director

AMBRISH JULKA
DGM (Legal) & Company Secretary

Independent Auditor's Report

To The Members of Somany Ceramics Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SOMANY CERAMICS LIMIED** (hereinafter referred to as "the Holding Company") and its subsidiaries (**the Holding Company and its subsidiaries** together referred to as "**the Group**") its associates and joint venture company comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and joint controlled company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and joint controlled company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 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 consolidated state of affairs of the Group, its associates and jointly controlled company as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements/financial information of the subsidiaries namely, S. R. Continental Ltd. and Amora Tiles Private Ltd, whose financial statements/financial information reflect total assets of ₹ 4,939.32 lacs. as at 31st March, 2015, total revenues of ₹ 8521.56 lacs. and net cash outflows of ₹ 62.95 lacs for the year ended on that date, as

considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 132.93 lacs. for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of associates, namely, Commander Vitrified Pvt. Ltd., Vintage Tiles Pvt. Ltd., Vicon Ceramic Private Ltd., Acer Granito Pvt. Ltd., Somany Sanitary Ware Pvt. Ltd. and Somany Fine Vitrified Pvt. Ltd whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Group, its associate and jointly controlled company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associates and jointly controlled company incorporated in India, none of the directors of the Group, its associates and jointly controlled company incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled company - Refer Note no. 27.1, 27.2 & 27.4 [and read with note no. 27.3 as stated in para (ii) below] to the consolidated financial statements.
 - ii. The Group, its associates and joint controlled company have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any; on long term contracts including derivative contracts; except to the extent and as explained in Note No. 27.3 of the consolidated financial statement.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, its associate companies and jointly controlled company incorporated in India.

For LODHA & CO.
Chartered Accountants
Firm's Registration No. 301051E

(N. K. LODHA)
Partner
Membership No. 85155

Place: New Delhi
Date: The 18th day of May, 2015

Annexure referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date for the year ended 31st March 2015 – Consolidated Financial Statement of Somany Ceramics Limited

1. (a) The Group and its associates have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Group and its associates have been physically verified by the management, according to the programme of periodical physical verification in phased manner which in our opinion is reasonable having regard to the size of the Group and its associates the nature of their fixed assets. The discrepancies noticed on such physical verification were not material.
2. (a) The inventories of the Group and its associates (except in case of an Associate namely Vintage Tiles Pvt. Ltd., clay has not been physically verified due to its volume and loose nature as stated by the auditor of the concern associates) (except stock lying with third parties and in transit, for which confirmations have been received/materials received) have been physically verified by the management at reasonable intervals.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Group and its associate companies and nature of its business.

(c) The Group and its associates is maintaining proper records of inventories. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
3. (i) As informed to us, the Holding company has granted unsecured loan to one party covered in the register maintained under Section 189 of the Companies Act, 2013.

(a) In this regard, the receipt of the principal as well as interest is regular.

(b) Furthermore, no amount, principal as well as interest, is overdue and therefore, provision of clause 3(iii) (b) of the Order is not applicable.

ii) Based on the reports of the other auditors, the Subsidiaries, associates and jointly controlled company (audited by us) have not granted any loan secured or unsecured to any companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii) (a) & (b) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that certain items purchased/sold are of special nature for which, as explained, suitable alternative sources do not exist for obtaining comparative quotations, taking in to consideration the quality, usage and such other factors, there are adequate internal control systems commensurate with the respective size of the Holding Company, its subsidiaries, associates and jointly controlled company and nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. Further on the basis of examination of the books and records of the company, carried out in accordance with the generally accepted auditing principles in India, and according to the information and explanation given, we have neither come across nor have we been informed of any instance of major weakness in internal control systems of the Group, its associates and jointly controlled company.
5. In our opinion and according to the information and explanations given to us, the Group, its associates (wherever applicable as stated by their auditors) and jointly controlled company has complied with the directive issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under (to the extent applicable) with regard to deposit accepted from the public. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other tribunal in this regard.
6. As per the Auditors’ Report of the other auditor of the subsidiaries and associates of the Holding company and as per the overall review of the books of accounts of the Holding company and joint controlled company, books of account maintained by the Group, its associates (wherever applicable as stated by their auditors) and joint controlled company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act in respect of the company’s products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
7. (a) According to the records of the Group, its associates and jointly controlled company, these are generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other

material statutory dues with the appropriate authorities to the extent applicable and there were no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2015 except in respect of Employee State Insurance for ₹ 0.64 lacs and in an associates namely, Acer Granito Pvt. Ltd . Professional Tax for ₹ 3.11 lacs.

In case of an associate namely Vicon Ceramic Pvt. Ltd., there was delay in deposit of Professional Tax as amount is also outstanding to period over six months.

- (b) According to the records and information & explanations given to us, there are no dues in respect of wealth tax and cess that have not been deposited with the appropriate authorities to the extent applicable on account of any dispute and the dues in respect of income tax, customs duty, excise duty, service tax, local area development tax and sales tax (including Turnover tax) that have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute is pending are given below:-

Name of Statute	Nature of Dues	Period to which it relates	Amount (₹ in Lacs)	Forum where dispute is pending
Holding Company – Somany Ceramics Limited				
Custom Act	Custom Duty	1997-1999	5.91	Deputy Commissioner of Customs, (Import) Tughlakabad
Central Excise Act	Excise duty	1999-2004	317.43	CESTAT, New Delhi
		2005-2007	13.04	CESTAT, New Delhi
		1996-2000	9.33	CCE Appeals, Ahemdabad
		1994-1995	0.07	Asst. Commissioner, Kalol
Sales Tax Act	Local Area Development Tax	2002-2003	5.15	Haryana Tax Tribunal, Chandigarh
		2006-2007	60.12	Supreme Court of India
		2007-2008	76.40	Supreme Court of India
		2008-2009	89.27	Supreme Court of India
		2009-2010	93.56	Supreme Court of India
		2010-2011	59.62	Supreme Court of India
		2011-2012	60.16	Supreme Court of India
		2012-2013	73.54	Supreme Court of India
		2013-2014	85.48	Supreme Court of India
		2014-2015	72.77	Supreme Court of India
	Turnover Tax	1990-1993	45.83	Maharashtra Sales Tax Tribunal , Mumbai
		2006-2007	52.61	Asst. Commissioner, Ahmedabad
		2007-2008	28.76	Joint. Commissioner, Commercial Taxes, Ahmedabad
	Finance Act	Service Tax	2007-09	2.80
Income Tax Act*	Income Tax	A.Y. 2010-11	63.36	CIT Appeals, Kolkata
		A.Y. 2011-12	5.72	CIT Appeals, Kolkata
		A.Y. 2012-13	20.15	CIT Appeals, Kolkata
Associate Company – Acer GranitoPvt. Ltd				
Sales Tax Act	VAT	2010-11	268.82	Joint Commissioner, Commercial Tax Appeal, Rajkot

* Excluding penalty if any (Refer note no. 27.1 of the consolidated financial statement)

- (c) According to the records of the Group, its associates and jointly controlled company, and information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act and rules made thereunder has been transferred to such fund within time.

8. i) The Group, its associates and jointly controlled company, do not have accumulated losses at the end of the financial year and have not incurred cash losses in the current financial year and in the immediately preceding financial year except as stated in point (ii), (iii) & (iv) below.
- ii) Subsidiary company namely, S. R. Continental Ltd. do not have accumulated losses at the end of the financial year. However, the company has incurred cash losses in the current financial year and also in the immediately preceding financial year.
- iii) Joint Venture Company, namely Somany Keraben Pvt. Ltd. have accumulated losses at the end of the financial year and are more than fifty percent of the net worth. Further, it has incurred cash losses in the current financial year and also in the immediately preceding financial year.
- iv) Associates companies namely, companies namely Vicon Ceramic Pvt. Ltd. and Somany Sanitary Ware Pvt. Ltd. have accumulated losses at the end of the financial year however, has not incurred cash losses in the current financial year and in the immediately preceding financial year.
9. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Group, its associates and jointly controlled company, has not defaulted in repayment of dues to financial institution or bank or debenture holder.
10. The Holding company has given corporate guarantees for loans taken by other body corporate amount aggregating to ₹ 944.00 lacs from banks. According to the information and explanations given to us, we are of the opinion that the terms and conditions, on which the company has given corporate guarantees for loans taken from banks, are not, prima- facie prejudicial to the interest of the Holding Company. Subsidiaries, associates and jointly controlled company have not given any guarantee for loan taken by others from banks.
11. On the basis of information and explanations given to us, term loans of the Group, its associates and jointly controlled company were applied for the purpose for which the loans were obtained.
12. i) Based on the audit procedures performed and on the basis of information and explanations provided by the management, no fraud on or by the Holding Company has been noticed or reported during the course of our audit.
- ii) As per the auditors' report of subsidiaries, associates and jointly controlled company, no fraud on or by the associates and jointly controlled company has been noticed or reported during the course of audit, as stated by the other auditors of the respective entities.

For LODHA & CO.,
Chartered Accountants
Firm's Registration No. 301051E

(N. K. LODHA)
Partner
Membership No. 85155

Place: New Delhi
Date: The 18th day of May, 2015

Consolidated Balance Sheet

as at 31st March, 2015

	Note No.	31.03.2015	31.03.2014
(₹ in lacs)			
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	776.90	776.90
Reserves & Surplus	3	25,023.73	21,569.46
		25,800.63	22,346.36
Minority Interest			
		531.06	444.46
Non-current Liabilities			
Long term Borrowings	4	7,677.95	7,079.48
Deferred Tax Liabilities (Net)		2,874.27	2,837.97
Other Long-term Liabilities	5	1,918.80	1,784.33
Long-term Provisions	6	333.78	305.51
		12,804.80	12,007.29
Current Liabilities			
Short-term Borrowings	7	8,485.95	7,644.83
Trade Payables		20,787.34	17,826.64
Other Current Liabilities	8	8,971.52	6,966.57
Short-term Provisions	9	9,173.69	7,471.67
		47,418.50	39,909.71
Total		86,554.99	74,707.82
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	10	26,209.08	23,884.52
Intangible Assets	10	169.24	170.09
Capital work-in-Progress		81.43	292.78
		26,459.75	24,347.39
Non-current Investments	11	1,980.43	1,765.39
Long-term Loans and Advances	12	1,825.39	1,589.17
Other non-current assets	13	250.93	-
TOTAL		30,516.50	27,701.95
Current Assets			
Current Investment	14	2,681.01	3,710.00
Inventories	15	13,644.66	9,061.70
Trade Receivables	16	25,909.89	21,492.67
Cash and Bank Balances	17	1,537.26	3,456.24
Short-Term Loans and Advances	18	12,006.90	9,079.54
Other Current Assets	19	258.77	205.72
		56,038.49	47,005.87
Total		86,554.99	74,707.82
Significant Accounting Policies	1		
Explanatory Notes	27		

As per our report of even date

For and on behalf of Board of Directors

For **LODHA & CO.**Chartered Accountants
(ICAI FRN. NO.: 301051E)**N. K. LODHA**Partner
M.NO. 85155**SHREEKANT SOMANY**

Chairman & Managing Director

ABHISHEK SOMANY

Joint Managing Director

AMBRISH JULKA

DGM (Legal) & Company Secretary

Place : New Delhi

Dated : The 18th Day of May, 2015

Consolidated Statement of Profit & Loss

for the year ended 31st March, 2015

		(₹ in lacs)	
	Note No.	31.03.2015	31.03.2014
Revenue from Operations	20	154,312.48	126,476.35
Other Income	21	766.32	308.24
Total Revenue		155,078.80	126,784.59
Expenses:			
Cost of Materials Consumed	22	20,346.08	17,159.62
Purchases of Stock-in-Trade		77,425.25	58,132.17
Change in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	23	(3,918.27)	2,666.85
Employee Benefit Expense	24	10,135.31	8,319.60
Finance Costs	25	2,053.90	1,852.20
Depreciation and Amortization Expense	10	2,659.11	2,242.54
Other Expenses	26	39,567.38	32,059.72
Total Expenses		148,268.76	122,432.70
Profit Before Exceptional and Extraordinary Items and Tax		6,810.04	4,351.89
Exceptional items (Net)		-	-
Profit before tax		6,810.04	4,351.89
Extraordinary Items		-	-
Profit before tax		6,810.04	4,351.89
Tax Expense:			
(1) Current Tax		2,089.62	1,479.60
(2) Deferred Tax Charges/Credit		115.64	218.88
(3) Income Tax for earlier years		12.35	1.29
Profit After Tax		4,592.43	2,652.12
Share in Profit of Associate		132.92	169.76
Profit after tax (including associate)		4,725.35	2,821.88
Minority Interest		86.60	(65.14)
Profit after tax and minority interest		4,638.75	2,887.02
Earnings per Equity Share (₹)			
Basic		11.94	8.25
Diluted		11.94	8.25
(Refer Note No 27.7)			
Significant Accounting Policies	1		
Explanatory Notes	27		
The accompanying Notes are an integral part of the Financial Statements.			

As per our report of even date

For **LODHA & CO.**

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

N. K. LODHA

Partner
M.NO. 85155

Place : New Delhi

Dated : The 18th Day of May, 2015

For and on behalf of Board of Directors

SHREEKANT SOMANY

Chairman & Managing Director

ABHISHEK SOMANY

Joint Managing Director

AMBRISH JULKA

DGM (Legal) & Company Secretary

Consolidated Cash Flow Statement

For the Year Ended 31st March, 2015

	(₹ in lacs)	
	31.03.2015	31.03.2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT / (LOSS) BEFORE TAX & EXCEPTIONAL ITEMS	6,810.04	4,351.89
I. ADJUSTMENT FOR		
Depreciation & Amortisation Expense	2,659.11	2,242.54
Interest and Finance Charges	2,053.90	1,852.20
Interest Income	(464.91)	(215.01)
Dividend Income (₹ 125/-)	(0.00)	(0.07)
Unrealized Foreign Exchange Loss (Net)	3.56	11.94
Profit on Sale of Investment (Net)	(186.90)	(41.07)
Diminution in the value of Investment written back (net)	(2.95)	0.79
Provision for Doubtful Debts (written Off) (net)	5.50	26.16
Bad Debts	28.21	0.63
Liabilities no longer required written back (net)	-	(9.70)
Sundry Balances written off / (back) (net)	87.91	(15.22)
(Profit)/ Loss on sale / Discard of Fixed Assets/ Assets written off (net)	125.43	185.04
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	11,118.90	8,390.12
II. ADJUSTED FOR :		
Trade & Other Receivable	(6,574.30)	(5,089.68)
Inventories	(4,582.97)	2,988.11
Trade & Other Payable	4,673.84	2,436.60
Cash Generated from Operation	4,635.47	8,725.15
Income Taxes Refund /(paid)	(2,127.88)	(1,340.53)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	2,507.59	7,384.62
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,177.95)	(5,992.64)
Sale of Fixed Assets	99.59	98.31
Purchase of Short Term Investment	(22,301.72)	(5,075.80)
Purchase of Long Term Investment	(271.51)	(817.76)
Sale of Short Term Investment	23,514.08	1,349.32
Sale of Long Term Investment	103.43	100.82
Share Application Advance	(162.40)	(137.60)
Interest Received	435.01	109.41
TDS on Interest	(27.35)	(22.06)
Dividend Received (₹ 125/-)	0.00	0.07
NET CASH OUTFLOW IN INVESTING ACTIVITIES (B)	(3,788.82)	(10,387.93)

	(₹ in lacs)	
	31.03.2015	31.03.2014
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	4,164.25	3,285.75
Repayment of Long Term Borrowings	(2,913.88)	(2,309.42)
Proceeds from issue of Share Capital	-	596.56
Security Premium (Net of Share Issue Expenses)	-	4,767.10
Short Term Loans Borrowings (net)	834.63	(138.64)
Interest Paid	(2,046.01)	(1,841.68)
Dividend Paid (including corporate dividend tax)	(676.74)	(480.27)
NET CASH INFLOW FROM FINANCING ACTIVITIES (C)	(637.75)	3,879.40
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,918.98)	876.09
CASH AND CASH EQUIVALENTS		
Opening		
Cash & Cash Equivalent	2,869.50	1,750.44
Other Bank Balances	586.74	829.71
	3,456.24	2,580.15
Closing		
Cash & Cash Equivalent	1,191.51	2,869.50
Other Bank Balances	345.75	586.74
	1,537.26	3,456.24
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,918.98)	876.09

Notes :

- a) Cash & Cash Equivalents represents cash and bank balances.(Note No.17)
b) Figures for the previous year have been regrouped/rearranged wherever considered necessary.

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

N. K. LODHA
Partner
M.NO. 85155

Place : New Delhi
Dated : The 18th Day of May, 2015

For and on behalf of Board of Directors

SHREEKANT SOMANY
Chairman & Managing Director

ABHISHEK SOMANY
Joint Managing Director

AMBRISH JULKA
DGM (Legal) & Company Secretary

Notes to the Consolidated Financial Statements of Somany Ceramics Limited, its Subsidiaries, Joint ventures and Associates for the year ended 31st march, 2015

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

1.1 PRINCIPLES OF CONSOLIDATION

- i) The financial statements of the parent company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions resulting in unrealized profits or losses, if any, as per Accounting Standard-21, "Consolidated Financial Statements", as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rule, 2014. Interest in assets, liabilities, income and expenses of the Joint Venture Company have been consolidated using proportionate consolidation method. Intra Group balances, transactions and unrealized profits/losses have been eliminated to the extent of parent company's proportionate shares as per Accounting Standard-27, Financial Reporting of Interests in Joint Ventures, prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rules 7 of the Companies (Accounts) Rules, 2014. Investments in associates & share in profits/losses in associate after eliminating intra group transactions resulting in unrealized profits or losses if any, as per Accounting Standard-23, Accounting for Investment in Associates in Consolidated Financial Statement prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rules 7 of the Companies (Accounts) Rules, 2014.
- ii) The consolidated financial statements include the accounts of Somany Ceramics Limited (Parent Company), its subsidiaries, Joint Venture and associates as detailed below:

Name	Nature	Country of Incorporation	% of Shareholding & Voting Power
SR Continental Ltd.	Subsidiary	India	100.00%
Somany Global Ltd.	Subsidiary	India	100.00%
Amora Tiles Pvt. Ltd.	Subsidiary	India	51.00%
Somany Keraben Pvt. Ltd.	Joint Venture	India	50.00%
Somany Sanitary Ware Pvt. Ltd. (Formerly Sonec Sanitary Ware Pvt. Ltd.)	Associate	India	44.61%

Name	Nature	Country of Incorporation	% of Shareholding & Voting Power
Somany Fine Vitrified Pvt. Ltd. (Formerly Fine Vitrified Pvt. Ltd.)	Associate	India	26.67%
Vintage Tiles Pvt. Ltd.	Associate	India	26.00%
Commander Vitrified Pvt. Ltd.	Associate	India	26.00%
Vicon Ceramic Pvt. Ltd.	Associate	India	26.00%
Acer Granito Pvt. Ltd.	Associate	India	26.00%

- iii) All intra group balances and intra group transactions resulting into material unrealized profits/ losses are eliminated in full on consolidation.
- iv) The accounting policy of the parent company, its subsidiaries and associates are largely similar except in case of associates where depreciation on all assets have been provided on straight line method.

1.2 ACCOUNTING CONCEPTS

The financial statements have been prepared under the historical cost convention on accrual basis in compliance with applicable accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except where otherwise stated.

1.3 REVENUE RECOGNITION

Revenue is recognised when significant risks and reward of ownership have been passed to buyer and there is no uncertainty exists to its realization or collection.

1.4 FIXED ASSETS

- i) Fixed assets are shown at cost of acquisition and/or construction less accumulated depreciation and impairment losses.

Notes to the Consolidated Financial Statements of Somany Ceramics Limited, its Subsidiaries, Joint ventures and Associates for the year ended 31st march, 2015

- ii) Intangible assets are stated at cost less amortisation.
- iii) Pre-operative expenditure during the construction/erection period is included under capital work-in-progress and is allocated to the respective fixed assets on completion of construction/erection.

1.5 DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSS

- i) Fixed assets are depreciated using written down value method except fixed assets of the floor tile unit (including MTP & GVT plant) and addition made after 1st April, 1995 to plant and machinery of wall tile units, where depreciation is provided on a straight line method, considering the estimated useful lives as specified in Schedule II of the Companies Act, 2013 except in case of vehicles, press punches / die boxes and hand pallet truck where useful lives are taken as 5, 8 and 3 years respectively. Continuous process plants as defined in Schedule II have been considered on technical evaluation. Impaired assets are amortised over the estimated balance useful life.
- ii) In case of indication of impairment of the carrying amount of the Company's assets, an asset recoverable amount is estimated. Impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Reversal of impairment loss recognised in prior periods is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.
- iii) Leasehold land is amortised over the period of lease.
- iv) Intangible assets are being recognised if the future economic benefits attributable to the assets are expected to flow to the Company and cost of the assets can be measured reliably. The same are being amortised over the expected duration of benefits.

Intangible assets being computer software is amortised over a period of five years.

1.6 TRANSACTION OF FOREIGN CURRENCY ITEMS

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

1.7 INVESTMENTS

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

1.8 INVENTORIES

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

1.9 RESEARCH & DEVELOPMENT EXPENSES

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

1.10 INTEREST ON BORROWINGS

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

Notes to the Consolidated Financial Statements of Somany Ceramics Limited, its Subsidiaries, Joint ventures and Associates for the year ended 31st march, 2015

1.11 EMPLOYEE BENEFITS

i) Defined Contribution Plan:

Employee benefits in the form of Provident Fund (with Government Authorities) and Employees' pension Scheme are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

ii) Defined Benefit Plan:

Retirement benefits in the form of gratuity, long-term compensated leaves; other long-term employee benefit and provident fund (multi-employer plan) are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, according to the date of the Balance Sheet. Actuarial gain/losses, if any, are immediately recognised in the Statement of Profit & Loss.

iii) Short-term employee benefit:

Short-term benefits are charged off at the undiscounted amount in the year in which the related services rendered.

1.12 GOVERNMENT GRANTS

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

1.13 LEASES

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

1.14 SHARE ISSUE EXPENSES

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

1.15 PROVISION FOR CURRENT AND DEFERRED TAX

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

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

1.16 USE OF ACCOUNTING ESTIMATES

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

1.17 CONTINGENT LIABILITY, CONTINGENT ASSETS AND PROVISION

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

Notes to the Consolidated Balance Sheet

		(₹ in Lacs)				
		31.03.2015			31.03.2014	
NOTE 2	SHARE CAPITAL					
Authorised						
Equity Shares 125,000,000 (Previous year 125,000,000) of ₹ 2/-each		2,500.00			2,500.00	
Issued, Subscribed and Paid up						
Equity Shares 38,844,826 (Previous year 38,844,826) of ₹ 2/- each fully paid up		776.90			776.90	
		776.90			776.90	
Notes :						
(a)	(i) Reconciliation of Equity Share Capital (In numbers)					
	Shares outstanding at the beginning of the year	38,844,826			34,497,000	
	Add : Shares issued during the year	-			4,347,826	
	Less : Shares bought back during the year	-			-	
	Shares outstanding at the end of the year	38,844,826			38,844,826	
(b)	(i) Equity Shares:					
	The Company has only one class of Equity Shares having face value of ₹ 2/- each and each shareholder is entitled to one vote per share. Each shareholders have the right in profit / surplus in proportion to amount paid up with respect to share holder. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, in proportionate to their individual shareholding in the paid up equity capital of the the company.					
(c)	List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)					
	i) Bhilwara Holding Limited	9,009,840			9,009,840	
	ii) Sarvottam Vanijay Limited	6,212,980			6,212,980	
	iii) Scope Vinimoy Private Limited	3,491,075			3,491,075	
	iv) Latinia Limited	4,347,826			4,347,826	
		23,061,721			23,061,721	
(d)	Details of Allotment/Buy Back of Shares during the period of 5 years immediately preceding the reporting date	2013-14	2012-13	2011-12	2010-11	2009-10
		NIL	NIL	NIL	NIL	NIL

Notes to the Consolidated Balance Sheet

	(₹ in Lacs)	
	31.03.2015	31.03.2014
NOTE 3 RESERVES AND SURPLUS		
Capital Reserve		
Balance at the Beginning of the Year	45.00	45.00
Addition/Transfer During the Year	-	-
Closing Balance	45.00	45.00
Capital Redemption Reserve		
Balance at the Beginning of the Year	0.03	0.03
Addition/Transfer During the Year	-	-
Closing Balance	0.03	0.03
Security Premium Reserve		
Balance at the beginning of the year	4,767.10	-
Premium on allotment of equity shares	-	4,913.04
Less:-Share Issue Expenses	-	145.94
Closing balance	4,767.10	4,767.10
General Reserve		
Balance at the Beginning of the Year	4,278.87	3,978.87
Addition During the Year	440.00	300.00
Less:-Depreciation*	156.96	-
Closing Balance	4,561.91	4,278.87
Surplus in Statement of Profit & Loss Account		
Balance at the Beginning of the Year	12,478.46	10,573.14
Less:- Goodwill-adjustment	(92.46)	-
Net Profit for the Current Year	4,638.75	2,887.02
Amount Available for Appropriation	17,024.75	13,460.16
Less:- Appropriation:		
Transfer to General reserve:	440.00	300.00
Proposed Dividend	776.90	582.67
Corporate Dividend Tax	158.16	99.03
Closing Balance	15,649.69	12,478.46
Total of Reserves & Surplus	25,023.73	21,569.46

* In view of adoption of Schedule II of the Companies Act, 2013 depreciation on assets whose life expired prior to 1st April, 2014 (net of deferred tax of ₹ 79.34 Lacs)

Notes to the Consolidated Balance Sheet

	(₹ in Lacs)	
	31.03.2015	31.03.2014
NOTE 4 LONG-TERM BORROWINGS		
Secured		
Term loans		
- From Banks	7,993.46	6,736.09
- From others	675.00	975.00
Car Loans		
- From Banks	533.94	390.95
- From others	77.40	80.12
Deferred Payment Liabilities	1,130.14	1,013.86
Unsecured		
- From others	228.85	228.85
	10,638.79	9,424.87
Less: Current Maturities of Long Term Borrowings		
Term Loan		
- From Banks	2,357.33	1,880.00
- From others	300.00	300.00
Car Loans		
- From Banks	169.74	127.04
- From others	42.17	38.35
Deferred Payment Liabilities	91.60	-
	2,960.84	2,345.39
	7,677.95	7,079.48

NOTES

- Rupee loan of ₹ 883.58 Lacs (Previous year ₹ 1,773.75 Lacs) from a Bank is secured by first pari passu charge by way of hypothecation of machinery, equipment and other fixed assets purchased / to be purchased out of the said loan. The aforesaid loan is repayable in 4 quarterly installments from June, 2015.
- Rupee loan of ₹ 2,000.00 Lacs (Previous Year ₹ 1,142.00 Lacs) 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 charge on all the current assets of the company both present and future. The aforesaid loan is repayable in 20 equal quarterly installments starting from June, 2015.
- Rupee loan of ₹ 300.00 Lacs (Previous year ₹ 600.00 Lacs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable assets and mortgage of all immovable properties of the Company, both present and future, excluding assets exclusively charged to other Banks. The aforesaid loan is repayable in 4 equal quarterly installments from June, 2015.
- Rupee loan of ₹ 675.00 Lacs (Previous Year ₹ 975.00 Lacs) from others is secured by first pari passu charge on all fixed assets of the company both present and future except specifically charged and Government Land at Kassar / Kadi. The aforesaid loan is repayable in 9 equal quarterly installments from June, 2015.
- Rupee Loan of ₹ 1,764.14 Lacs (Previous Year ₹ 1,938.91 Lacs) from a Bank and Buyers' credit of ₹ 397.33 Lacs (Previous year ₹ 1,013.86 lacs) {Equivalent to Euro 5.82 lacs (Previous Year Euro 12.20 lacs)} is secured by first pari passu charge by way of hypothecation of Plant & Machinery and other movable fixed assets of the company situated at Kassar and Kadi excluding those exclusively charged to other Banks and second pari passu on current assets of the company both present and future. The aforesaid loan is repayable in 12 quarterly installments from June, 2015.
- Rupee Loan of ₹ 1,550.00 Lacs (Previous Year ₹ Nil) from a Bank and Buyers' credit of ₹ 732.81 Lacs (Previous year ₹ Nil) {Equivalent to Euro 11.66 lacs (Previous Year Euro Nil)} is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the company both present and future, excluding those exclusively charged to other Banks. The aforesaid loan is repayable in 16 quarterly installments starting from November, 2015.
- Rupee Loan of ₹ 1,495.74 Lacs (Previous Year Nil) of a subsidiary company from a Bank is secured by equitable mortgage of factory Building, and hypothecation of all movable assets, both present and future. The aforesaid loan is repayable in 66 monthly installment starting from April, 2015.
- Car loans from Banks and others are secured (charge created/to be created) by hypothecation of cars purchased there under are repayable in monthly installment over the period of loan.
- Unsecured Loan from others in a subsidiary company.

Notes to the Consolidated Balance Sheet

	(₹ in Lacs)	
	31.03.2015	31.03.2014
NOTE 5 OTHER LONG TERM LIABILITIES		
Trade Deposit	1,323.61	1,127.10
Security Deposit (Refer note no 27.4)	623.00	685.04
Others	-	-
	1,946.61	1,812.14
Less:-Current Maturities	27.81	27.81
	1,918.80	1,784.33
NOTE 6 LONG-TERM PROVISIONS		
Employees Benefits	333.78	305.51
	333.78	305.51
NOTE 7 SHORT-TERM BORROWING		
Secured Loans:		
Working Capital Facilities from Banks		
Working Capital Demand Loans	-	800.00
Cash Credit	6,893.98	5,816.31
Buyer's Import Credit	1,591.97	968.52
Unsecured Loans:		
From Body Corporate (Repayable on demand)	-	60.00
	8,485.95	7,644.83

- 1) Cash Credit of ₹ 6,358.05 lacs and Buyer's Import Credit of ₹ 1,591.97 lacs are secured as under:-
- i. First charge by way of hypothecation of stocks of raw materials, finished goods and stock in process, stores & spares and book debts and ranking pari-passu and
 - ii. Second and subservient charge by way of Equitable Mortgage on all other assets, both present and future, of the company, both movable and immovable & ranking pari-passu, excluding assets exclusively charged. Charge over land exchanged of about 3 acres at Kassar is to be created.
- 2) Cash Credit of ₹ 488.36 Lacs with respect to a subsidiary company is secured as under:-
- Hypothecation of stock, receivables and all other present, future and current assets of the company and further secured by collateral security of all plant and machineries and fixed assets of the company (present and future) and personal guarantee of individuals.
- 3) Cash Credit of ₹ 47.57 Lacs with respect to another subsidiary company is secured as under:-
- Hypothecation of stock of raw materials, stock in trade, finished goods and consumable stores and document of title of goods and first charge on block assets of the company.

Notes to the Consolidated Balance Sheet

	(₹ in Lacs)	
	31.03.2015	31.03.2014
NOTE 8 OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Borrowings	2,960.84	2,345.39
Interest Accrued But not Due on Borrowings	15.93	10.73
Interest Accrued and Due on Borrowings	41.92	39.23
Current Maturities of Other Long Term Liabilities	27.81	27.81
Statutory Dues	1,383.14	1,137.57
Capital Creditors	186.47	183.24
Security Deposit	63.09	96.73
Advance from Customers	1,000.08	619.84
Unclaimed Dividends#	18.71	13.75
Other Liability	3,273.53	2,492.28
	8,971.52	6,966.57

Investor Education & Protection Fund shall be credited when due.

NOTE 9 SHORT TERM PROVISIONS		
Proposed Dividend	776.90	582.67
Corporate Dividend Tax	158.16	99.03
Income Tax	8,111.02	6,594.39
Fringe Benefit Tax	-	153.50
Employees Benefits	127.61	42.08
	9,173.69	7,471.67

Notes to the Consolidated Balance Sheet

NOTE 10 FIXED ASSETS

(₹ in Lacs)

Particulars	GROSS CARRYING VALUE				DEPRECIATION			NET CARRYING VALUE		
	Book Value at 01.04.2014	Additions	Deductions/ Adjustments	Book Value at 31.03.2015	Up to 31.03.2014	For the year	Written Back/ Adjustments	Up to 31.03.2015	As on 31.03.2015	As on 31.03.2014
A. TANGIBLE ASSETS										
1. (a) Freehold Land	799.91	-	-	799.91	-	-	-	-	799.91	799.91
(b) Leasehold Land	116.09	-	-	116.09	12.26	3.53	-	15.79	100.30	103.83
2. Buildings	6,287.81	523.15	-	6,810.96	2,385.24	661.93	-	3,047.17	3,763.79	3,902.57
3. Plant & Equipment	34,356.24	3,870.24	684.35	37,542.13	16,787.91	1,355.78	511.67	17,632.02	19,910.11	17,568.33
4. Furniture & Fixtures #	1,333.87	263.88	46.09	1,551.66	743.77	217.20	41.53	919.44	632.22	590.10
5. Office Equipments #	520.86	178.15	7.94	691.07	269.06	144.79	7.13	406.72	284.35	251.80
6. Vehicles	1,212.21	551.22	205.99	1,557.44	544.23	453.83	159.02	839.04	718.40	667.98
Sub Total (A)	44,626.99	5,386.64	944.37	49,069.26	20,742.47	2,837.06	719.35	22,860.18	26,209.08	23,884.52
Previous year	40,371.36	6,456.18	2,200.55	44,626.99	20,465.96	2,193.72	1,917.21	20,742.47		
B. INTANGIBLE ASSETS										
Computer Software	307.22	57.50	-	364.72	137.13	58.35	-	195.48	169.24	170.09
Sub Total (B)	307.22	57.50	-	364.72	137.13	58.35	-	195.48	169.24	170.09
Previous year	169.11	138.11	-	307.22	88.31	48.82	-	137.13	-	-
Total (A+B) Current Year	44,934.21	5,444.14	944.37	49,433.98	20,879.60	2,895.41	719.35	23,055.66	26,378.32	24,054.61
Previous year	40,540.47	6,594.29	2,200.55	44,934.21	20,554.27	2,242.54	1,917.21	20,879.60		

Regrouped during the year

Note

- Plant & equipment includes machinery Gross ₹ 62.29 Lacs (Previous year ₹ 62.29 Lacs) lying with third parties, pending confirmation [Note No. 27.4]
- Furniture & Fixtures includes certain expenditure on lease hold premises Gross ₹ 397.23 Lacs WDV 195.57 Lacs (Previous year ₹ 359.01 Lacs WDV ₹ 183.78 Lacs) which are amortised over the useful life of respective assets.
- Addition to Plant & Machinery includes foreign exchange profit amounting to ₹ 192.97 Lacs decapitalised (Previous year ₹ 239.91 Lacs capitalised).

Notes to the Consolidated Balance Sheet

	(₹ in Lacs)	
	31.03.2015	31.03.2014
NOTE 11 NON-CURRENT INVESTMENTS		
Long term Investments (At cost)		
Investment in Shares		
Equity	39.34	57.76
Investment in Subsidiary Companies	-	-
Investment in Joint Venture	-	-
Investment in Associate Companies*	1,908.09	1,607.77
Mutual Fund	33.00	99.86
	1,980.43	1,765.39
* Share of profit has been recognised in carrying amount and goodwill adjustment		
NOTE 12 LONG TERM LOAN AND ADVANCES		
(Unsecured, Considered Good Unless Stated Otherwise)		
Deposits		
- With Government Authorities	95.67	124.28
- With Related Parties	1,013.05	922.50
- With Others	368.99	280.39
Prepaid Expenses	0.39	4.92
Capital Advance	20.28	108.32
Others	27.01	11.16
Advance against Share Application Money {Refer note no 27. 18 (A) (ii)}	300.00	137.60
	1,825.39	1,589.17
NOTE 13 OTHER NON-CURRENT ASSETS		
Bank Deposit (Pledge with Government Department)	71.01	-
Fixed Deposits held as Margin Money with Banks/ Financial institutions	179.92	-
	250.93	-
NOTE 14 CURRENT INVESTMENTS		
Investment in Bonds	1,904.01	2,660.00
Investment in Mutual Fund	777.00	1,050.00
	2,681.01	3,710.00

Notes to the Consolidated Balance Sheet

	(₹ in Lacs)	
	31.03.2015	31.03.2014
NOTE 15 INVENTORIES		
(Valued at lower of cost and net realisable Value) (As taken, valued and certified by the management)		
Raw Materials & Packing Material (Including Goods in transit ₹ 3.61 Lacs ,Previous Year ₹ 2.17 Lacs)	1,270.69	1,303.94
Work -in-Process	367.86	318.23
Finished Goods	5,842.50	3,360.70
Stock in Trade (Including Goods in transit ₹ 553.79 Lacs,Previous Year ₹ 10.76 Lacs)	4,706.96	2,498.73
Stores and Spares	1,456.65	1,580.10
	13,644.66	9,061.70
NOTE 16 TRADE RECEIVABLES		
(Unsecured, Considered Good Unless Stated Otherwise) Exceeding Six month from Due Date		
i) Good	952.59	695.50
ii) Doubtful	161.59	165.71
	1,114.18	861.21
Less: Provision for Doubtful Debt	161.59	165.71
	952.59	695.50
Others	24,957.30	20,797.17
	25,909.89	21,492.67
NOTE 17 CASH & BANK BALANCES		
Cash & Cash Equivalents (As certified by the management)		
Cash in Hand	23.29	35.21
Draft / Cheque in Hand	-	0.19
Balance with Banks :		
Current Accounts	1,131.25	1,668.01
Bank Deposit with maturity of 3 months or less	36.96	1,166.09
Earmarked balance with banks		
Bank Deposit	148.90	133.49
Less:- Shown Under "Other Non-Current Assets" (More than 12 months)	(71.01)	-
Unclaimed Dividend Accounts	18.71	13.75
Other Bank Balance		
Fixed Deposits held as Margin Money with Banks/ Financial institutions	429.08	439.50
Less:- Shown Under "Other Non-Current Assets" (More than 12 months)	(179.92)	-
	249.16	439.50
	1,537.26	3,456.24

Notes to the Consolidated Balance Sheet

	(₹ in Lacs)	
	31.03.2015	31.03.2014
NOTE 18 SHORT TERM LOANS AND ADVANCES		
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposit:-		
- To Related Parties	300.00	-
- To Others	100.00	7.50
Advance Income Tax / Tax deducted at source	8,217.88	6,801.49
Balance with Government Authorities	1,588.66	1,217.32
Deposits		
- With Related Parties	300.00	-
- With Others	60.35	22.83
Prepaid Expenses	127.27	145.78
Other Advances	1,312.74	884.62
	12,006.90	9,079.54
NOTE 19 OTHER CURRENT ASSETS		
Accrued Interest	176.76	146.86
Export Incentive Receivable	82.01	49.94
Derivative Financial Assets	-	8.92
	258.77	205.72

Notes to the Consolidated Statement of Profit and Loss

	(₹ in Lacs)	
	31.03.2015	31.03.2014
NOTE 20 REVENUE FROM OPERATIONS		
Sales of manufactured goods (tiles)	62,617.65	64,377.45
Sales of Colours/Refractory	122.50	102.46
Sale of Traded Goods	97,793.84	68,552.20
Sales of Body Clay	801.23	62.77
Other Operating Revenue		
Scrap Sales	227.20	235.96
Liabilities No Longer Required Written Back (Net)	-	9.70
Sundry Balance Written Back (Net)*	-	15.22
Provision for Doubtful Debt Written back	0.82	1.79
Income from Service	308.21	92.37
Gain on Foreign Exchange Fluctuation (Net)	129.78	-
Insurance Claim Recd	130.63	60.85
	162,131.86	133,510.77
Less: Excise Duty	7,819.38	7,034.42
	154,312.48	126,476.35
* Net of Sundry Balance Written Off Nil (Previous Year ₹ 5.87 Lacs)		
NOTE 21 OTHER INCOME		
Interest Received	464.91	215.01
Dividend on long term Investments (₹ 125/-)	0.00	0.07
Rent and Lease Rent Received	5.70	1.22
Profit on Sale of Fixed assets	40.01	33.26
Profit on Sale of Short Term Investment	183.36	8.34
Profit on Sale of Long Term Investment	3.54	32.73
Diminution in value of investment written back	2.95	-
Miscellaneous Receipts	65.85	17.61
	766.32	308.24
NOTE 22 COST OF MATERIALS CONSUMED		
Raw Material Consumed	16,887.41	14,100.68
Packing Material Consumed	3,458.67	3,058.94
	20,346.08	17,159.62

Notes to the Consolidated Statement of Profit and Loss

	(₹ in Lacs)	
	31.03.2015	31.03.2014
NOTE 23 CHANGE IN INVENTORIES OF FINISHED GOODS		
Work-in-progress and Stock-in-Trade		
Closing Stock*		
Finished Goods	5,842.50	3,360.70
Stock-in-Trade	4,153.17	2,487.97
Total Finished Goods	9,995.67	5,848.67
Work-in-Process	367.86	318.23
	10,363.53	6,166.90
Less: Opening Stock*		
Finished Goods	3,360.70	4,731.43
Stock-in-Trade	2,487.97	3,911.85
Total Finished Goods	5,848.67	8,643.28
Work-in-Process	318.23	359.82
	6,166.90	9,003.10
(Increase)/Decrease in Stock	(4,196.63)	2,836.20
Add / (Less): (Increase) Decrease in Excise duty on Stock	(278.36)	169.35
	(3,918.27)	2,666.85
* Excluding Goods in Transit		
NOTE 24 EMPLOYEE BENEFIT EXPENSE		
Salary, Wages, Bonus etc.	9,040.61	7,547.07
Contribution to Provident Fund and Other Funds	609.42	404.11
Workmen & Staff Welfare	485.28	368.42
	10,135.31	8,319.60
NOTE 25 FINANCE COSTS		
Interest	1,929.92	1,751.49
Other Borrowing Cost	123.98	100.71
	2,053.90	1,852.20

Notes to the Consolidated Statement of Profit and Loss

		(₹ in Lacs)	
		31.03.2015	31.03.2014
NOTE 26	OTHER EXPENSES		
	Stores and Spare Parts Consumed	2,808.25	2,309.03
	Power & Fuel	20,335.36	16,679.40
	Repairs and Maintenance:		
	Buildings	153.99	110.64
	Plant & Machinery	251.62	187.45
	Others	131.43	111.21
	Rent	582.39	493.46
	Rates & Taxes	371.63	178.99
	Insurance	264.79	248.36
	Travelling & Conveyance Expenses	1,234.97	1,117.22
	Exchange Rate Difference (Net)	-	194.45
	Directors' Fees	6.45	5.65
	Non Executive directors' Commission	36.51	30.58
	Selling & Distribution Expenses	3,148.68	2,508.89
	Discount	1,816.50	1,367.26
	Freight Outward and Handling Charges	3,326.46	2,848.27
	Advertisement & Sales Promotion Expenses	2,891.46	1,961.01
	Commission to Agents	337.95	305.74
	CSR Expenses	96.84	0.26
	Provision for Doubtful Debts	6.32	27.95
	Bad Debts	28.21	0.63
	Provision for Diminution in Value of Long Term Investment	-	0.79
	Prior Period Adjustment(Net)	9.26	1.06
	Sundry Balances Written Off*	87.91	-
	Legal & Professional Expenses	357.98	227.79
	Loss on sale of Fixed Assets	63.45	52.22
	Fixed Assets Discard /Written Off	101.99	166.08
	Other Expenses	1,116.98	925.33
		39,567.38	32,059.72

* Net of Sundry Balance/Liabilities no Longer Required Written Back ₹ 90.89 Lacs (Previous Year Nil)

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

NOTE 27 EXPLANATORY NOTES

27.1 Contingent liabilities and commitments (to the extent not provided for) (As certified by the Management of the Holding Company – Somany Ceramics Limited)

S. No.	Particulars	(₹ in Lacs)	
		31.03.2015	31.03.2014
A) (i)	Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances]	131.07	712.31
(ii)	Contingent liabilities not provided for in respect of: (As certified by the Management)		
a)	Claims and other demands against the Company not acknowledged as debts.	288.76	204.01
b)	Sales tax and purchase tax demands, among others against which the Company has preferred appeals.	226.29	247.09
c)	Excise and custom duty (excluding interest and penalty) and service tax demands and show-cause notices issued against which the Company/Department has preferred appeals/filed replies.	426.59	353.39
d)	Disputed income tax and wealth tax demand (excluding penalty if any)	93.69	196.51
e)	Against the imposition of Local Area Development Tax (LADT) levied by Haryana Government, the Hon'ble Supreme Court of India vide its order dated 10th May, 2006 has accepted the Company's application for stay. Further, Hon'ble Supreme Court vide their order dated 30th October, 2009 stated the assesses to file the LADT returns; however, no recovery of tax will be made till further order. In the meantime, the Haryana Government has repealed the LADT Act and introduced another Act by the name of 'Entry Tax' on the same line, which was also been held ultra vires by the Hon'ble Punjab and Haryana High court. Pending the final Order of the Hon'ble Supreme Court on the above matter And there is no Act either LADT / Entry Tax prevalent in Haryana, no provision for the same is considered necessary by the Company for the period from 1st April, 2006.	676.07	603.30
f)	Demand notice from ESIC	15.41	-
(iii)	Bond executed in favour of sales tax/custom authorities.	12.50	25.00
B)	Outstanding Corporate Guarantee to banks in respect of various fund/non fund based facilities extended to other body corporates.	944.00	1,230.00
C)	Bank Guarantee outstanding	317.05	289.23

27.2 During the financial year 2012-13, a demand of ₹ 925.65 lacs (including interest of ₹ 97.41 lacs) for difference between market rate (Non-APM) and contracted price (APM) of gas for the period from 1st July, 2005 to 31st March, 2010 has been raised by GAIL (India) Limited (GAIL). After considering further debit notes on account of interest / bank charges for the past periods, the total demand increased to ₹ 1,218.56 lacs (including interest of ₹ 390.32 lacs) as on 31st March 2015. The Company along with others filed a Special Civil Application (SCA) which was admitted by the Hon'ble Gujarat High Court on submission of bank guarantee of ₹ 118 lacs. On 4th August, 2014, Hon'ble Supreme Court of India passed an order to transfer the case to this Court on the basis of transfer petition filed by the GAIL. Pending decision / further direction, no provision in this regard is considered necessary by the Company.

27.3 In terms of Long Term Gas supply Agreements (GSAs) with GAIL (India) Limited and Indian Oil Corporation Limited (jointly referred to as 'Sellers') which are valid till period ending April 2028 and December 2016 respectively, there are underdrawn quantities of Re-Liquified Natural Gas (RLNG) equivalent to ₹ 6090.94 Lacs for the calendar year 2014. Against this the company has received demand notices from Sellers aggregating to ₹ 2415.45 lacs only representing an aggregate under drawn quantity of 242490 MMBTU. If these demands are paid, the same will be treated as advance in accounts as the company will be eligible to take under drawn quantities of RLNG including that for calendar year 2014 in subsequent contract years subject to Sellers' operational flexibility and price adjustments. The Company has also represented to Sellers for reducing the said amounts demanded which is pending resolution.

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

Further in view of proposed increase in production capacity by 4 million square meters per annum at Kassar unit and also generally a decreasing trend in prices of the said RLNG in recent months, Management is confident about utilization of under drawn RLNG as above in subsequent contract years. Accordingly pending resolution and in view of proposed use of RLNG in future as stated above, no effect of the same has been given in these accounts.

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

27.5 Out of ₹ 5,000.00 lacs raised through private placement of equity shares in February, 2014, the company has so far utilized ₹ 2,650.00 lacs (including issue expenses of ₹ 145.94 lacs) for the purposes for which the same were raised. The balance ₹ 2,350.00 lacs remain temporarily invested in the bonds / debt schemes of mutual funds.

27.6 Related Party Transactions (As certified by the Management)

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

1. Key Management Personnel

Mr. Shreekant Somany, Chairman & Managing Director.

Mr. Abhishek Somany, Joint Managing Director. (Son of Chairman & Managing Director)

Mr. G.G. Trivedi, CEO*

Mr. Amrish Julka, DGM (Legal) & Company Secretary*

Mr. Devendrabhai L. Serashiya

Mr. Naresh P. Amrutiya

2. Relatives of Key Management Personnel

Mrs. Anjana Somany, Additional Director (w.e.f. 24th March, 2015) (Wife of Chairman & Managing Director)

Mrs. Minal Somany (Wife of Joint Managing Director)

Mrs. Kala Trivedi (Wife of CEO)*

Mr. Mansukhbhai Savjibhai Sherasiya

Mr. Lalji Bhai Savjibhai Sherasiya

Mr. Jivrajbhai Savjibhai Sherasiya

Mr. Prabhubhai R. Amrutiya

Ms. Sangitaben N. Amrutiya

Mr. Hiteshbhai P. Arutiya

Ms. Varshaben D Sherasiya

Lalji Bhai Savjibhai Sherasiya (HUF)

Mansukhbhai Savjibhai Sherasiya (HUF)

3. Associate Company

Vintage Tiles Private Limited

Commander Vittrified Private Limited

Vicon Ceramic Private Limited

Acer Granito Private Limited

Somany Sanitary Ware Private Limited (w.e.f. 27th November, 2014) (Formerly Sonec Sanitary Ware Pvt Ltd)

Somany Fine Vittrified Private Limited (w.e.f. 20th January, 2015) (Formerly Fine Vittrified Pvt Ltd)

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

4. Enterprise over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year*:

Vidres India Ceramics Private Limited
Yogi Cerachem Private Limited
Ishiv India Solutions Private Limited

5. Other related parties with which Company has transactions*:

Biba Apparels Private Limited – Private company in which director is a director
Wolkem India Limited – Public company in which director is a director and holds more than 2% shares along with relatives
G.L. Sultania & Co. – Firm in which director is proprietor

* Related w.e.f. 1st April, 2014 pursuant to the Companies Act, 2013

B. The following material transactions were carried out with related parties in the ordinary course of business and on arm's length basis:

	(₹ in Lacs)	
	31.03.2015	31.03.2014
Mr. Shreekant Somany		
Remuneration paid	220.94	158.27
Commission	92.24	98.02
Mr. Abhishek Somany		
Remuneration paid	166.28	139.18
Commission	146.90	117.11
Rent paid	8.00	7.57
Outstanding payable at the year end	0.61	0.59
Mrs. Minal Somany		
Remuneration paid	26.65	23.90
Rent paid	25.16	16.59
Outstanding payable at the year end	1.93	1.89
Mr. G.G. Trivedi		
Remuneration paid	113.00	-
Mrs. Kala Trivedi		
Rent paid	2.74	-
Mr. Ambrish Julka		
Remuneration paid	17.72	-
G.L. Sultania & Co.		
Consultancy fee paid	6.00	-
Vintage Tiles Private Limited		
Purchase of goods	10,133.79	9,841.61
Technical services provided	93.60	35.10

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

	(₹ in Lacs)	
	31.03.2015	31.03.2014
Interest Received	50.10	31.62
Deposit given	-	200.00
Inter Corporate Deposit given	300.00	-
Outstanding at the year-end:		
Trade Payable	364.79	164.03
Deposits	226.00	226.00
Interest Receivable	16.74	21.71
Inter Corporate Deposit	300.00	
Commander Vitrified Private Limited		
Purchase of goods	18,930.64	10,240.87
Sale of goods	16.60	14.38
Technical services provided	187.20	46.80
Interest Received	19.64	21.08
Deposit given	300.00	-
Deposit received back	9.45	-
Loan taken	-	202.74
Loan repaid	-	202.74
Interest paid	-	1.35
Outstanding at the year-end:		
Trade Payable	738.81	355.59
Trade Receivable	20.15	2.08
Deposits	460.55	170.00
Interest Receivable	17.69	18.97
Vicon Ceramic Private Limited		
Investment made	-	188.50
Purchase of goods	4,751.19	7.93
Interest Received	34.74	3.85
Deposit given	100.00	226.50
Outstanding at the year-end:		
Trade Payable	325.55	9.11
Deposits	326.50	226.50
Interest Receivable	34.73	3.47
Acer Granito Private Limited		
Investment made	-	511.00
Purchase of goods	9,400.89	540.91

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

	(₹ in Lacs)	
	31.03.2015	31.03.2014
Technical services provided	26.00	6.50
Interest Received	59.79	4.34
Deposit given	-	300.00
Inter Corporate Deposit given	550.00	
Inter Corporate Deposit received back	550.00	
Outstanding at the year-end:		
Trade Payable	774.63	68.78
Deposits	300.00	300.00
Interest Receivable	32.40	3.91
Somany Sanitary Ware Private Limited		
Investment made	38.51	-
Share Application Money	100.00	-
Purchase of goods	810.19	-
Outstanding at the year-end:		
Advance against supply	24.84	-
Somany Fine Vitrified Private Limited		
Investment made	200.00	-
Share Application Money	200.00	-
Ishiv India Solutions Pvt. Ltd.		
Purchase of goods	122.55	-
Services received	31.21	-
Outstanding at the year-end:		
Trade Payable	8.55	-
Wolkem India Limited		
Purchase of goods	16.96	-
Biba Apparels Private Limited		
Sale of goods	24.62	-
Outstanding at the year-end:		
Advance received against supply	0.70	-
Yogi Cerachem Private Limited		
Purchase of goods	70.47	-
Outstanding at the year-end:		
Trade Payable	11.48	-

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

	(₹ in Lacs)	
	31.03.2015	31.03.2014
Vidres India Ceramics Private Limited		
Purchase of goods	1,671.20	-
Outstanding at the year-end:		
Trade Payable	133.05	-
Laljibhai Savjibhai Sherasiya (HUF)		
Loan taken	-	9.80
Interest paid	1.18	-
Outstanding at the year-end:		
Unsecured Loan	9.80	9.80
Laljibhai Savjibhai Sherasiya		
Loan taken	-	4.00
Interest paid	0.48	-
Outstanding at the year-end:		
Unsecured Loan	4.00	4.00
Mansukhbhai Savjibhai Sherasiya		
Loan taken	-	3.00
Interest paid	0.36	-
Outstanding at the year-end:		
Unsecured Loan	3.00	3.00
Mansukhbhai Savjibhai Sherasiya (HUF)		
Loan taken	-	2.55
Interest paid	0.31	-
Outstanding at the year-end:		
Unsecured Loan	2.55	2.55
Jivrajbhai Savjibhai Sherasiya		
Loan taken	-	19.55
Interest paid	2.35	-
Outstanding at the year-end:		
Unsecured Loan	19.55	19.55
Naresh P Amrutiya		
Remuneration paid	8.40	-

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

	(₹ in Lacs)	
	31.03.2015	31.03.2014
Devendra kumar L. Sherasiya		
Remuneration paid	12.00	-
Loan taken	-	0.50
Interest paid	0.06	-
Outstanding at the year-end:		
Unsecured Loan	0.50	0.50
Prabhubhai R. Amrutiya		
Loan taken	-	3.00
Interest paid	0.36	-
Outstanding at the year-end:		
Unsecured Loan	3.00	3.00
Sangitaben N. Amrutiya		
Remuneration paid	2.40	-
Loan taken	6.50	14.65
Interest paid	1.76	-
Outstanding at the year-end:		
Unsecured Loan	21.15	14.65
Hiteshbhai P. Amrutiya		
Remuneration paid	4.20	-
Loan taken	-	7.50
Interest paid	0.90	-
Outstanding at the year-end:		
Unsecured Loan	7.50	7.50
Varshaben D Sherashia		
Remuneration paid	7.80	-

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

27.7 Earnings Per Share

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

	31.03.2015	31.03.2014
Profit/(Loss) attributable to the equity shareholders (₹ in Lacs) (A)	4638.75	2,887.02
Weighted average number of equity shares outstanding during the year (B)	38,844,826	34,997,298
Nominal value of equity shares (₹)	2	2
Basic earnings per share (₹) (A/B)	11.94	8.25
Diluted earnings per share (₹) (A/B)	11.94	8.25

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

27.9 The business activity of the Company falls within a single business segment viz. 'Ceramic Tiles and allied products' and mainly sale of the product is within the country. Hence, the disclosure requirement of Accounting Standard 17 of 'Segment Reporting' is not considered applicable.

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

Name	Amount (In Foreign Currency)		Amount (In Lacs equivalent)	
	31.03.2015	31.03.2015	31.03.2014	31.03.2014
Derivatives				
Forward contract	-	-	USD 400,000	240.44
Open Exposures				
Receivables	USD 668,132	416.05	USD 528,947	314.56
Receivables	-	-	GBP 11,724	11.58
Payables	USD 3,376,793	2,122.99	USD 199,665	120.02
Payables	EURO 1,156,682	789.32	EURO 2,391,988	1987.74

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

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

27.12 In respect of the joint venture company (Somany Keraben Pvt. Ltd.), the auditors have qualified in their audit report for the year ended March, 2015 regarding the accounts being prepared as going concern assumption even after negative net worth of the company.

27.13 In respect of the associates company namely, Vicon Ceramic Pvt. Ltd. and Somany Sanitary Ware Pvt. Ltd, the auditors have drawn attention in their audit report for the year ended 31st March, 2015 regarding accumulated losses and cash loss in the previous year and no such other indications were found by the auditor, which affect the going concern principle of the company.

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

- 27.14** The company has not provided diminution in the value of certain unquoted long term strategic investments, since in the opinion of Board, such diminution in their value is temporary in nature, considering the inherent value, nature of investments, the investees' assets and expected future cash flow from such investment.
- 27.15** In respect of the Holding Company, a sum of ₹ 96.84 lacs have been provided towards Corporate Social Responsibility (CSR) and same included under Other Expenses. Out of which ₹ 9.74 lacs was spent and the balance amount of ₹ 87.10 lacs would be utilized for CSR activities in subsequent year.
- 27.16** During the current year, the Holding Company has computed depreciation based on useful life of the fixed assets as specified under schedule II of the Companies Act, 2013. The carrying value of the fixed assets which have completed their useful lives as on 1st April, 2014 has been charged against the balance in General Reserve of amounting to ₹ 154.08 lacs (net of deferred tax ₹ 79.34 lacs). Had there not been any change in the useful life of the fixed assets, the depreciation would have been higher by ₹ 216.47 lacs for the year ended 31st March, 2015 and to the extent profit would have been lower.
- 27.17** Accounting policies and Notes on Accounts (including disclosure requirements of Accounting Standard 15 – Employment Benefits and Accounting Standard 22 – Accounting for taxes on income) of the financial statement of the parent company and subsidiary company are set out in their respective financial statement.

27.18(A) (i) Details of Investment made during the year in terms of the Shareholders Agreement:

Name	Investment Amount (₹ in Lacs)	No. of shares allotted	Date of Allotment	% of total share capital
Somany Sanitary Ware Pvt. Ltd. (Formerly Sonec Sanitary Ware Pvt. Ltd.)	38.51	3,85,103	27/11/2014	44.61%
Somany Fine Vitrified Pvt. Ltd. (Formerly Fine Vitrified Pvt. Ltd.)	200.00	20,00,000	20/01/2015	26.67%

- (ii) The Company intends to further increase its shareholding in the above stated two companies to 51% of total issued and subscribed capital in aforesaid companies; accordingly the company has further paid following sums:

Somany Sanitary Ware Pvt. Ltd.*	₹ 100.00 lacs
Somany Fine Vitrified Pvt. Ltd.*	₹ 200.00 lacs

* stated amount paid has been shown as 'Advance against Share Application Money' under Long Term Loans and Advances.

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

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

27.18(B) Additional Information to the Consolidated Financial Statements:

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in lacs)	As % of consolidated profit or loss	Amount (₹ in lacs)
Parent:				
Somany Ceramics Limited	98.45%	25400.40	95.68%	4438.25
Subsidiaries (Indian):				
SR Continental Limited	0.99%	254.47	-0.88%	-40.90
Somany Global Limited	0.27%	68.39	0.40%	18.51
Amora Tiles Pvt. Ltd.	4.20%	1083.80	3.81%	176.75
Minority Interests in all subsidiaries	-2.06%	-531.06	-1.87%	-86.60
Associates (Indian):				
Vintage Tiles Pvt. Ltd.	0.27%	68.46	0.87%	40.21
Commander Vitrified Pvt. Ltd.	0.65%	167.16	2.11%	97.83
Acer Granito Pvt. Ltd.	0.15%	39.22	0.47%	21.83
Vicon Ceramic Pvt. Ltd.	-0.07%	-17.01	-0.33%	-15.11
Somany Sanitary Ware Pvt. Ltd.	-0.18%	-47.60	-0.26%	-11.84
Joint Venture (Indian):				
Somany Keraben Pvt. Ltd.	-0.04%	-9.40	0.00%	-0.18
Total Eliminations	-2.62%	-676.20	0.00%	0.00
Total	100.00%	25800.63	100.00%	4638.75

27.19 The Company has entered into long term supply agreements (LTA or Agreements) with Vintage Tiles Pvt. Ltd., Commander Vitrified Pvt. Ltd., Amora Tiles Pvt. Ltd., Acer Granito Pvt. Ltd., Vicon Ceramic Pvt. Ltd., Somany Sanitary Ware Pvt. Ltd. and Somany Fine Vitrified Pvt. Ltd. by the said agreements the Company has right to buy and sell the entire production of tiles / sanitaryware of companies stated in/under its Own Brand.

As liability will accrue / arise as and when purchase will be made under LTA. Hence under the agreements there is no material foreseeable losses as on date in the opinion of the management.

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

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

N. K. LODHA
Partner
M.NO. 85155

Place : New Delhi
Dated : The 18th Day of May, 2015

For and on behalf of Board of Directors

SHREEKANT SOMANY
Chairman & Managing Director

ABHISHEK SOMANY
Joint Managing Director

AMBRISH JULKA
DGM (Legal) & Company Secretary

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

CHIEF EXECUTIVE OFFICER

Mr. G. G. Trivedi

COMPANY SECRETARY

Mr. Ambrish Julka

BANKERS

Punjab National Bank
IDBI Bank
ING Vysya Bank
HDFC BANK

AUDITORS

Lodha & Company
Chartered Accountants

REGISTERED OFFICE

82/19, Bhakerwara Road, Mundka
New Delhi – 110041
Email: marketing@somanyceramics.com

CORPORATE OFFICE

F-36, Sector 6, Noida (U.P)- 201301
Phone: 0120-4627900
CIN: L40200DL1968PLC005169

WEBSITE

www.somanyceramics.com

PLANTS

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

Gujarat

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

SUBSIDIARY COMPANIES

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

ASSOCIATE COMPANIES

Vintage Tiles Pvt. Ltd.
Commander Vitrified Pvt. Ltd.
Acer Granito Pvt. Ltd.
Vicon Ceramic Pvt. Ltd.
Somany Sanitary Ware Pvt. Ltd.
Somany Fine Vitrified Pvt. Ltd.



CORPORATE OFFICE

F-36, Sector 6, Noida (U.P)- 201301

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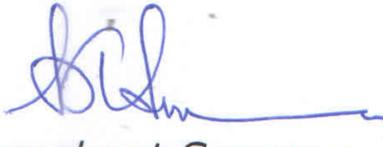
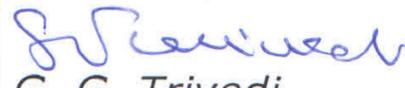


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FORM A
Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company:	SOMANY CERAMICS LTD.
2	Annual financial statements for the year ended	31st March, 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A
5	To be signed by:	
	Managing Director	 Shreekant Somany Chairman and Managing Director
	CFO	 G. G. Trivedi CEO & CFO
	Auditor of the Company	  M/s Lodha & Co. 23 rd July, 2015 Chartered Accountants
	Audit Committee Chairman	 R.K. Daga Chairman Audit Committee

SOMANY CERAMICS LIMITED

Works : Kassar-124 507, Distt. Jhajjar, Bahadurgarh, Haryana, India. Tel : +91-1276-223300, 241001 to 05, Fax : +91-1276-241006 / 241011.

Corporate Office : F-36, Sector-6, Noida - 201 301, Telefax. : +91-120-4627900 to 4627999, 4628000 to 4628099.

Registered Office : 82/19, Bhakerwara Road, Mundka, New Delhi-110 041, India. Tel : +91-11-28341085.

Corporate Identity Number (CIN) : L40200DL1968PLC005169