SOMANY

5th September, 2018

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

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

Sub: Submission of Annual Report – 2017-18 of the Company, pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with requirements under Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the year 2017-18, duly approved and adopted in the 50th Annual General Meeting held on Thursday, 30th August, 2018 at Sripati Singhania Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata- 700 020 at 11.00 a.m. as per the provisions of the Companies Act, 2013.

Thanking you,

Yours faithfully,
For Somany Ceramics Limited

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

Encl: as above



IT'S NOT ONLY ABOUT THE TILE

ANNUAL REPORT 2017-18
SOMANY CERAMICS LTD.

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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/uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include input costs and/or its availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labor negotiations and fiscal regimes.

At Somany Ceramics Limited, the tile represents the last mile.

The last mile of a journey that comprises the prudent use of technology, endurance, design, branding and capital allocation.

At Somany Ceramics, what drives us to a higher level of excellence is the first mile – the attitude we bring to our workplace.

The hunger to push the envelope when most observers are saying 'Not worth it.'

The desire to enhance efficiencies when most are saying 'Impossible.'

The endless quest to service our customers better when most in our position could well have said, 'We've arrived.'

The result is something that you don't immediately perceive at our company.

The attitude. The mindset. The persistence. The foresight.

Our story is different.

IT'S NOT ONLY ABOUT **THE TILE.**



things you need to know about Somany Ceramics

1

OUR POSITIONING

Somany Ceramics is an internationally acclaimed organization that specializes in ceramic tiles and allied products. In the last four decades, Somany Ceramics has established itself as one of the leading companies in the Indian tile industry

2

OUR PROMOTERS

Founded in 1968 by late Shri H. L. Somany, the Company has 48 years of experience in the tiles and décor segment. It enjoys a reputation of creating ground-breaking and innovative products with a pan-India presence. The promoters held 51.5% of the Company's equity capital as on March 31st, 2018.

3

OUR PRODUCTS

Somany Ceramics Limited is engaged in manufacturing a range of home décor solutions comprising ceramic wall & floor tiles, polished vitrified tiles, glazed vitrified tiles, sanitaryware and bath fittings as well as offering tile laying solutions.

4

OUR LOCATIONS

The Company has its own tile manufacturing units in Kadi (Gujarat) and Kassar (Haryana). It also has six associate/subsidiary plants manufacturing tiles and one subsidiary plant, manufacturing sanitaryware. Somany recently began manufacturing faucets by acquiring a majority stake in a plant situated in North India.

5

OUR FOOTPRINT

The Company has a pan-India presence, with a market share of about 7%. The Company possesses about 10,000 touch points including a network of 1736 active dealers and 324 showrooms/ display centres. Somany Ceramics also exports to a number of countries in Europe, Middle East, Asia and Africa, generating about 4% of its revenue from exports.

6

OUR VALUATION

Somany Ceramics is listed on the BSE Limited and the National Stock Exchange of India Limited. The Company's market capitalisation was ₹2843.24 crore as on 31st March 2018.

CORPORATE INFORMATION

Somany Ceramics Limited is India's second largest manufacturer of tiles with its headquarters in Noida. Besides tiles, the Company is also engaged in the manufacture of sanitaryware and bath fittings. The Company had a combined tile manufacturing capacity of 61 MSM as on 31st March, 2018. The Company also exported products to over 55 countries. Somany has two of its own manufacturing units at Kadi and Kassar; six ancillary units of associates/subsidiaries and arrangements with other manufacturers. Innovation has been a key focus area and Somany leverages technology to create unique products with aesthetic and functional appeal. Somany also offers sanitaryware and bath fitting solutions, resulting in a one-stop shop for home décor needs.

VISION

Most sought after tile and allied products in India and be the best employer in the tile industry.



MISSION

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







INITIATIVES, 2017-18

Products

- Launched a ceramic polished range in ceramic tiles and two new product ranges, namely Duragres Tesoro and Duragres Artistain Duragres (GVT)
- Launched Glosstra Plus, India's glossiest wall tiles, utilising Ultra Gloss Technology

Operations

- Upgraded our plant with state-of-the-art Italian technology to enable the manufacture of GVT tiles with uniform colours comprising natural textures
- Upgraded product lines at Kassar and Kadi to produce higher volumes of value-added products
- Tripled the sanitaryware plant capacity to 1.15 million pieces per annum
- Acquired 51% stake in a faucet manufacturing plant with a capacity of 6.5 lakh pieces per annum.
- Expanded tile manufacturing capacity in Vintage, an associate, from 2.99 MSM to 4.80 MSM per annum.

Distribution

- Added 100 retail outlets across all formats
- Added ~500 new dealers in key markets, which resulted in a net addition of 326 dealers.
- Reached out to a larger corpus of corporate clients and builders

IT upgradation

- Implemented SAP (S4 HANA) in April, 2017 to provide a robust IT/ERP platform

OUTLOOK, 2018-19

- Add 1000 franchisees over the next three years
- Aim to have a showroom in every town with a population of 1 lac
- Faucet manufacturing capacity to be trebled in a phased manner
- Commissioning of glazed vitrified tile plant in South India

CHAIRMAN'S MESSAGE



Shreekant Somany, *Chairman*
I am optimistic that the coming together of realities – financialisation, formalisation and residentialisation – will strengthen the country, incomes, sector and the Company.



At Somany Ceramics, we are more optimistic now than ever for some good reasons.

Even as India passed through a sluggish 2017-18, reflected in a slower GDP growth of 6.7%, the reality is that the ground has been prepared for robust sustainable economic growth through the coming together of financialisation, formalisation and residentialisation.

My optimism with regard to financialisation is derived from the fact that the country is moving away from investment in physical assets and increasing its investment in financial equivalents. This is best illustrated by the China example: the country's GDP was almost equivalent to that of India some three-and-a-half decades ago.

The one reason for the sharp subsequent divergence is that China continued to invest in financial assets while India preferred to invest in gold and cash. The result is that in the last quarter of a century, China's GDP increased almost five times to $ 11 trillion; India's economy is estimated at only $ 2.6 trillion.

This divergence is reflected in the numbers: India's credit / GDP proportion for private non-finance entities is 57% while China's is 211% (BIS data, 2016). Clearly, China's investment in financial assets enhanced velocity of money, which in turn translated into a higher access to financial resources within that country, accelerating the economic momentum. Following demonetisation, currency as a percentage India's GDP declined from 12 per cent to 10 per cent and I believe this starts a structural correction that should progressively narrow the gap between the two countries.

The second point why I am optimistic of India's prospects is formalisation. The imposition of GST, comprising the unification of tax structures, will accelerate the formalisation of the economy. This means that a number of small-scale businesses in the country, who survived outside the purview of the tax system, will need to rethink their cost structures. When GST stabilises, the large cost differential between the organised and unorganised manufacturers could narrow and this could incentivise a number of consumers to upgrade their purchases towards established brands (like Somany).

The third dimension of my optimism is residentialisation. India is likely to build more homes in the next five years than it has done in the preceding few decades. The Pradhan Mantri Awas Yojana is likely to translate into the building of 75.88 lakh homes; besides, the vast residential inventory within the country is likely to be progressively sold, widening the market. Even as this is happening, I see a larger proportion of Indians – in metro and non-metro locations – refurbishing their homes with superior tiles. This residentialisation is likely to grow the market for tiles faster than we have possibly seen in the country.

The message that I wish to send out is that at Somany Ceramics, we are prepared. We have invested in widening our distribution network as a result of which our products are available wider and deeper than before; our stores have been adapted to stock a wider range of our products; we have made shopping convenient through the introduction of tiles, sanitaryware and faucets; we are branding aggressively with the objective to enhance recall; we have modernised and expanded existing capacities and we are commissioning an entirely new plant in a region (South India) where we will be present for the first time.

I am optimistic that the coming together of these realities – financialisation, formalisation and residentialisation – will strengthen the country, incomes, sector and the Company.

Our shareholders can definitely look forward to considerably better days ahead.

Shreekant Somany, *Chairman*

OPERATIONAL REVIEW



"We expect to generate 12-15% increase in annual revenues for the next two years starting 2018-19 coupled with profitable growth."

ABHISHEK SOMANY, Managing Director, reviews the Company's 2017-18 performance

Q: Was the management pleased with the working of the Company in 2017-18?

A: The management was not pleased and the reasons are largely reflected in the financials: revenue contracted by 2.1% on a like-to-like basis (after adjusting the accounting treatment of GST) while profit after tax was lower by 28.2 per cent. Some of the reasons for this decline were within the control of the management and some of the reasons were largely sectoral in nature. The question then is: could we have done better? My answer is we could and towards the later part of the financial year, we were able to get the pieces together, reflected in our performance of the second half of the fiscal under review.

Q: What were some of the reasons that contributed to the weaker performance?

A: The first reason was that the Company faltered in the seamless implementation of SAP. The result was that we encountered zero billing in a major part of April 2017 because the transfer from one system to another was not smooth. In April 2017: revenues at around ₹40 crore were a little more than a third of the previous April and this affected our performance in the first quarter of the last financial year.

Q: What was the next reason for the under-performance?

A: By the time we had our SAP implementation sorted (we had a good May 2017), we ran into the next big challenge: the GST. The implementation of this tax was a step in the right direction but the reality is that in June 2017 most of our primary customers selected to de-inventorise in anticipation of lower taxes that would otherwise have saddled them with higher-taxed stocks. The

following month was better as re-stocking resumed. August 2017 was a challenging month as a number of unorganised traders from Morbi began to discover loopholes that made it possible for them to operate outside the purview of the country's tax structure. September was good and the Company expected to go into the festive third quarter with increased confidence. However, the third quarter proved disastrous: there was a rumour that the applicable GST rate would be moderated from 28% to 18% and here we had a replay of what had transpired in June: our primary customers preferred to liquidate their inventory first. The positive side of the performance in this quarter was that the decline in the applicable GST rate did transpire but the modification came a fortnight later. December 2017 and January 2018 were better, February was weak (there was no clarity on the e-way Bill) and we ended the year under review with an outstanding March.

The outlook is positive for some good reasons: we see consumption coming back, we see a larger number of completed homes being delivered for occupation, we see moderate inflation (the increase in crude oil price notwithstanding) and we see the benefits of the government schemes in affordable housing widening the market.

Q: Was there any other reason that affected the Company's working in 2017-18?

A: During the course of the year, we modernised/expanded five manufacturing lines across two plants and the result is that the operational disruption (extended from one to four months) moderated the revenues we would have been able to generate from them. By December 2017, the modernisation of the lines had been completed and we will generate the full impact from them in 2018-19.

Q: What were the different ways in which the Company strengthened the business even when the financials appeared weak?

A: There were a number of ways in which the Company strengthened the business, the full impact of which will be visible only from 2018-19 onwards.

One, the modernisation of five manufacturing lines across two plants will graduate the lines to manufacture a larger and premium range of tiles, with a corresponding increase in realisations. The modernisation will also make it possible for the Company to increase the proportion of value-added tiles within its product mix to strengthen overall profitability.

Two, we recruited a new CFO to infuse fresh thinking into our financial system and was tasked with reducing our receivables, which had climbed to a peak of 104 days of turnover equivalent. I am pleased to report that through better engagement with our primary customers and stronger leverage of our brand, we are able to moderate receivables down to 90 days of turnover equivalent.

Three, one of our biggest achievements in 2017-18 was the successful implementation of the trebling of our sanitaryware capacity. This significant expansion had been viewed with

The modernisation of five manufacturing lines across two plants will graduate the lines to manufacture larger and premium range of tiles with a corresponding increase in realisations.

Our joint venture (3.5 MSM) will be among the first glazed vitrified tile capacity in South India, creating a first-mover's advantage for us

We made an unprecedented investment of ₹100 crore in 2017-18, which was higher than the aggregate investment of the previous four years

Sanitaryware and fittings used to be a small part of our business until a few years ago; this will account for 20% of our revenues in the next couple of years

At Somany Ceramics, we see ourselves as the right company at the right place at the right time with the right portfolio to complement and address emerging opportunities.

considerable distrust within trade channels on the ground that perhaps we should have tested the markets better and gone slower. I am pleased that the numbers we reported validated our judgment: we reached 100 per cent capacity utilisation within the first six months of commissioning with a corresponding increase in revenues from this high-margin segment in effectively only six months of working, with the full benefit likely to accrue in 2018-19. A similar asset utilisation trend was visible in the Vintage Ceramics joint venture where we expanded our capacity by 75% and reported 100% utilisation within a few months of commissioning.

Four, we enhanced value-added capacity of wall tiles by 2.5 MSM at Kassar plant with clear objectives to increase the proportion of wall tiles within our system and increase the proportion of value-added tiles. The successful implementation had a two-fold impact resulting in higher capacity utilisation (about 80%) within 3 months of commissioning and increase in realisation.

Five, we embarked on the planning and preparation for commissioning a new plant in South India. This joint venture (60:40) will be functional by the end of FY19. This plant (3.5 MSM) will be the among the first glazed vitrified tile capacities in South India, creating a first-mover's advantage for us in terms of recall and trade relationships. We believe that the plant will have the potential to generate ₹175 crore in sales, accounting for nearly 10% of the Company's annual revenues.

Q: What are some of the other ways in which the Company strengthened its business?

A: At Somany Ceramics, we recognised the growing importance of intangibles in strengthening business fundamentals. This priority was reflected in the last financial year. The Company launched 100 show rooms in 2017-18, which was the highest in

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any single year of our existence. A significant part of these 100 show rooms were in non-metros (Tier 2,3 and 4 towns), deepening our network across locations where organised tile retail presence is low on the one hand and disposable incomes cum aspirations rising on the other.

Besides, the Company embarked on a new brand campaign by engaging O&M, a prominent agency in advertising and marketing. On the people side, the Company consciously inducted younger professionals.

At Somany Ceramics, we see ourselves as the right company at the right place at the right time with the right portfolio complement to address emerging opportunities.



Q: What is the principal take-home for shareholders?

A: The principal take-home is that we are entering an inflection year for some good reasons: one, we made a significant investment of ₹100 crore in 2017-18, which was higher than the aggregate investment of the previous four years - without stretching long-term debt. We believe that this investment will generate incremental annual revenues at higher margins, leading to a short payback. For the moment, we expect to generate a 12-15% increase in annual revenues for the next two years starting 2018-19, coupled with profitable growth.

The other take-home is that the Company is evolving from a pure tiles play into a diversified interiors play (where tiles will account for a large part of our revenues). For instance, sanitaryware and fittings used to be a small part of our business until a few years ago; they will account for ~20% of our revenues in the next few of years coupled with increased profitability.

Q: What are the blips that you see on the operating landscape?

A: The one blip that I see on the horizon is the increase in gas prices in North India (where 30 per cent of our capacity is located) by 28% in the last financial year, which affected our EBIDTA . We believe that if gas prices increase in Gujarat as well, the industry will raise prices and pass on the cost incidence that would make it possible for us to recoup the impact of increased gas prices in North India.

The other blip is that GST is taking longer to stabilise. While on the face of it, putting ceramic tiles at the 18% GST rate is a step in the right direction, the problem on the ground is the extensive circumvention that makes unorganised manufacturers considerably cheaper than their organised equivalents. We believe that it will still take a year for this loophole to be completely plugged.

Q: What is the outlook for the business?

A: The outlook is positive for some good reasons: we see consumption coming back, we see a larger number of completed homes being delivered for occupation, we see moderate inflation (the increase in crude oil price notwithstanding) and we see the benefits of the government schemes in affordable housing widening the market. At Somany Ceramics, we see ourselves as the right company at the right place at the right time with the right portfolio complement to address emerging opportunities.

Interview at a glance

- **Weak performance due to internal and external factors**
- **Aggressive business-strengthening; results beginning to show**
- **Modernisation of manufacturing line completed**
- **Trebled sanitaryware and fittings capacity**
- **Increased capacity utilisation of expanded facilities**
- **Planned first tile capacity of the Company in South India**
- **Invested ₹100 crores in 2017-18 (largest in a single year)**

Key metrics

(Based on consolidated financials)



NET SALES (₹ crore)

FY15	1613.55
FY16	1794.99
FY17	1727.81
FY18	1708.21

Definition
Sales figure net of taxes and adjustment of Ind AS made in FY17 and FY18.

Why we measure
This measure reflects the result of our ability to understand market trends and service customers with corresponding products, superior technologies and competent supply chain management.

Performance
Our net sales declined by 1.1% to ₹1708.21 crores in FY18 due to external and internal factors.

PAT (₹ crore)

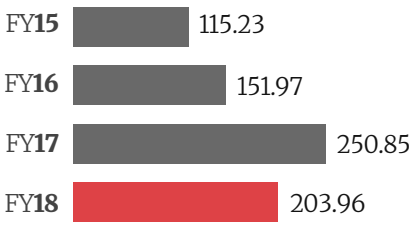
FY15	46.39
FY16	64.70
FY17	98.16
FY18	70.45

Definition
Profit earned during the year after deducting all expenses and provisions.

Why we measure
It highlights the strength in the business model in maximising value for its shareholders.

Performance
The Company's net profit grew every single year until FY17. The net profit declined by 28.2% in FY18 mainly on account of a steep increase in gas prices.

EBITDA (₹ crore)

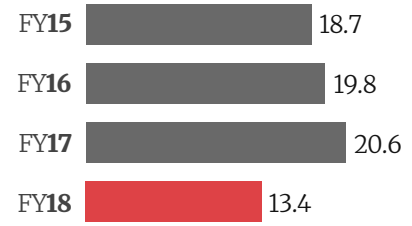


Definition
Earning before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

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

Performance
The Company's EBIDTA grew every single year through the last 4 years except 2017-18.

ROCE (%)

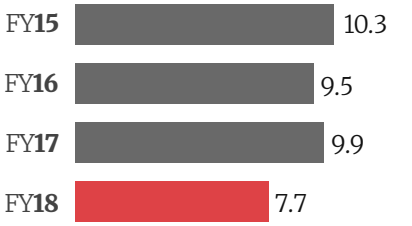


Definition
It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business.

Why we measure
ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use - especially in capital-intensive sectors.

Performance
ROCE declined by 720 bps on account of lower earnings and large investments made during the year, the benefits of which would accrue in the years to come.

DEBT COST (%)

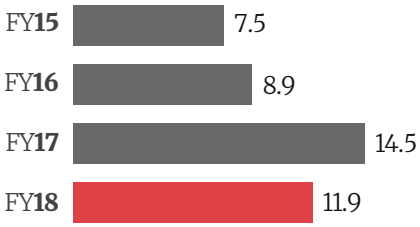


Definition
This is derived through the calculation of the average cost of the consolidated debt on the Company's books.

Why we measure
This indicates our ability in convincing bankers and other debt providers of the robustness of our business model, translating into a progressively lower debt cost (potentially leading to higher margins).

Performance
The Company's debt cost has progressively declined over the years and stood at 7.7% in FY18.

EBITDA MARGIN (%)

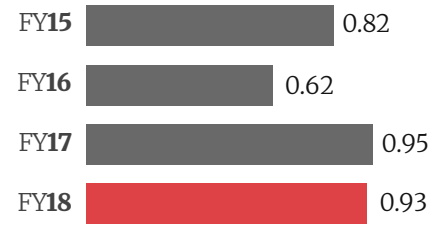


Definition
EBIDTA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency. Higher the operating margin, better for the Company.

Why we measure
The EBIDTA margin gives an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

Performance
The Company's EBIDTA margin declined in FY18, on account of external and internal factors.

GEARING (x)

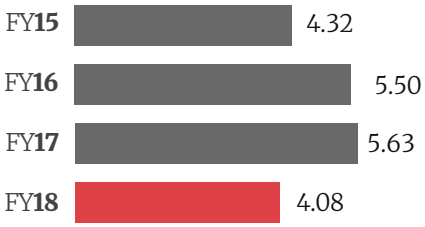


Definition
This is derived through the ratio of total debt to net worth (less revaluation reserves).

Why we measure
This is one of the defining measures of a company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers. It indicates the ability of the Company to sustain growth in profits, margins and shareholder value.

Performance
The Company's gearing improved marginally to 0.93x in FY18.

INTEREST COVER (x)



Definition
This is derived through the division of EBIT by interest outflow.

Why we measure
Interest cover indicates the Company's comfort in servicing interest, the highest the better.

Performance
The Company's interest cover stood at 4.08x in FY18, a reduction over the previous year, due to lower earnings.

Enhancing financial value

Somany Ceramics enjoys one of the highest market capitalisations in India's tile and ancillaries sector. The Company was valued at ₹2843.24 crore at the close of 2017-18. The Company intends to enhance value through the interplay of various initiatives



Profitable growth

At Somany Ceramics, we believe that profitable growth is one of the hallmarks of an outperforming company. Profitable growth is marked by a higher percentage increase in the Company's post-tax profit than the percentage increase in the Company's topline. We believe that the foundation for profitable growth across the next few years has been established: the modernisation at the Kadi and Kassar plants addresses value-added tiles, the commissioning of the glazed vitrified tiles represents tiles at the higher end of the value pyramid, the trebled sanitaryware capacity and the commissioning of the faucets capacity will address a higher margin segment.

Besides, these investments have been completely expensed out of accruals. The combination of high value revenue increments on the one hand and relatively low expense outgo on the other provide a foundation for sustainable growth.

65.10
Profit after tax (₹ crore), FY17-18

10
Number of years the Company reported profitable growth in the last 12 years

Topline growth

At Somany Ceramics, we believe that enhanced value is derived from an increased topline that makes it possible for the Company to amortise fixed costs better and generate a larger profit. The Company expects to cross ₹2000 crore in revenue in 2018-19 en route to its vision of generating a turnover of ₹3000 crore by 2021-22. The pipeline for this revenue growth has been built into corresponding product segments and their respective capacities: the Company's in-house tile capacity of 52 MSM is expected to increase by 7 MSM during the current financial year; the Company expects to outsource around 10 MSM through existing relationships. The aggregate capacity access of 68 MSM, expected to yield ₹300 per sq. m, is positioned to deliver more than ₹2000 crore in revenues at peak utilisation in a full year. Besides, the complement of sanitaryware manufacture cum outsourcing and faucet manufacture provides the Company with a revenue visibility of ₹2500 crore across the foreseeable future.

1653
Topline (₹ crore), 2017-18

3000
Topline (₹ crore), 2021-22 (projected)

Working capital efficiency

At Somany Ceramics, we believe that in a business with an extended working capital cycle, competitiveness is derived from superior terms of trade. Superior working capital management is derived from the ability to increase the creditors' cycle, shrink receivables tenure and moderate the holding of raw material / finished products inventories. During the year under review, the Company competently managed its stock and creditors' positions; however, receivables climbed from 64 days of turnover equivalent in 2015-16 and 79 days in 2016-17 to 104 days in 2017-18. The increase in debtors was the result of the Company's strategy to provide trade channels with longer credit to counter the consumption slowdown following the demonetisation and GST implementation. The Company countered this impact with focused initiatives and towards the later part of the financial year receivables had begun trending down. Going ahead, the reduction of every 30 days of receivables should enhance liquidity by ₹150 cr. The Company did not suffer bad debts following increased receivables.

79
Receivables (days of turnover equivalent), 2016-17

104
Receivables (days of turnover equivalent), 2017-18

80
Receivables (days of turnover equivalent), 2018-19 (projected)

Profitable mix

At Somany Ceramics, we believe that the most sustainable business strategy lies in premiumisation: the ability to present a complement of premium products and manufacturing an increased proportion of profitable products within each range. The focus on profitable products is deliberate (as distinct from the highest priced): this implies that the Company will maximise the offtake of products that provide the best contribution, which may not necessarily be derived from the most expensive product varieties. The Company has increased the proportion of revenues derived from such profitable products over the years – and this increase is likely to sustain. It may be relevant to indicate that all the Company's investments in new capacities are being directed at profitable product segments, strengthening prospects of a growth in profitability.

27
Proportion of revenues derived from profitable tiles (%), 2012-13

42
Proportion of revenues derived from highly profitable tiles (%), 2017-18

60
Proportion of revenues derived from highly profitable tiles (%) (projected), 2021-22

Informed decision-making

At Somany Ceramics, we have invested in strengthening our technology foundation to enhance organisational responsiveness to market place developments. In a market spread across thousands of locations and addressed by a dozen aggressive players, the Company that succeeds in a sustainable way is not the one that can respond with ad hoc reactions to marketplace changes but one that can respond with speed and informed decision-making. At our company, the SAP HANA investment makes this a reality: the Customer Relationship Management module is being commissioned, translating into the availability of MIS-based business intelligence in real time. This has enhanced the Company's responsiveness to changes in the market place: speed and accuracy in decision-making.

12
Investment in technology (₹ crore) in 2017-18

12%
Investment in technology as percentage of Total capex.

Manufacturing capacity (own & JV)

At Somany Ceramics, we are building capacities in all the large investments being made. We believe that this will translate into a number of business advantages: one, we expect to counter inflation in land assets by investing early; two, we believe that possessing adequate land for prospective capacity creation would make it quicker to commission capacity addition; three, on a number of occasions the capacity creation would capitalise on some fixed investments already made in the premises, resulting in a lower brownfield cost when compared with the greenfield equivalent. It would be relevant to indicate that the plant being commissioned in South India will initially occupy just 50 per cent of the available 50 acre area with the possibility of adding manufacturing lines within the same facility in considerably smaller space allocations – generating a superior return on space employed.

24
Tile manufacturing capacity (MSM), 2012-13

52
Tile manufacturing capacity (MSM), 2017-18

80
Tile manufacturing capacity (MSM), 2021-22 (projected)

Outsourcing

At Somany Ceramics, we believe that the profitable companies of the future will be those that manufacture only the most profitable products while outsourcing the majority of their requirements from joint venture companies where they possess an equity ownership or from other vendors where they can control quality, costs and deliveries. Over the years, the Company has made strategic investments in such joint ventures, gradually increasing their share in manufacturing. Each of the Company's JVs has been greenfield, were commissioned around shorter tenures, invested with cutting-edge technologies and addressed specific product lines. The Company's nine operational joint ventures are one of the highest in India's tile and bath ware manufacturing sector. The Company's investment in the South India plant is also a joint venture, the largest investment in the history of our company.

13
Proportion of revenues (%) derived from joint ventures, 2012-13

41
Proportion of revenues (%) derived from joint ventures, 2017-18

50
Proportion of revenues (%) from joint ventures, 2021-22 (projected)

Visibility and promotion

At Somany Ceramics, we believe that superior branding exercise helps create a recall for the brand, makes it possible for our products to move faster off shelves and facilitates higher realisations. In view of this, branding is integral to our objective of emerging as a more profitable company. However, this branding is not just about allocating a larger quantum towards promotions; it is about creating an informed balance between various media on the one hand and supporting this promotion with ground-level initiatives. Over the years, we invested consistently higher in branding, the effectiveness of which is reflected in a higher revenue throughput for every rupee invested in branding. Going ahead, the Company's objective will be to spend more on branding, strengthening recall and returns.

15.19
Brand spending (₹ crore), 2012-13

57.63
Brand spending (₹ crore), 2017-18

90.00
Brand spending (₹ crore), 2021-22 (projected)

Debt management

At Somany Ceramics, we believe that the quantum of debt deployed and the cost of such debt influences competitiveness. Over the years, the Company progressively leveraged cash flows to repay long-term debt; the working capital on the book corresponded to a debt-equity ratio of 0.52 as on 31 March 2018. The Company countered the liquidity stress created by higher receivables during the year under review by negotiating lower rates with bankers. The Company evolved its working capital mix, helping to moderate its average weighted short-term capital cost to 6.5%, which is around 350 bps lower than the cost at which it was available to unorganised manufacturers. During the year under review, the Company steadied its interest outflow despite the liquidity stress.

11.2
Average weighted cost (%) of debt, 2012-13

9.1
Average weighted cost (%) of debt, 2014-15

6.6
Average weighted cost (%) of debt , 2017-18

Strategic

How we do business



Enhance value

At Somany Ceramics, our objective is to enhance value in the hands of those who own shares in our company. If we succeed in doing this, it implies that we have broadly succeeded at the various different arms of our business – the ability to grow revenues, moderate costs, enhance product quality, distribute wide and deep, brand effectively and distribute profits to shareholders through dividends. This also means being engaged in a governance-driven way of growing our business that could strengthen our price-earnings ratio. We have done attractively in this regard, growing our market capitalisation by 66.4% in the last five years ending 2017-18. As on 31 March 2018, Somany was among the highest company in India's tile sector by value.

Market capitalisation (₹ crore), 31 March 2018

2843.24

Market capitalisation (₹ crore), 31 March 2013

222.71

Asset lightness

At Somany Ceramics, we made increasing investments in joint ventures as opposed to making direct investments in manufacture; each of these JVs was greenfield, invested in cutting-edge technologies and addressed focused product lines. The result is that the Company's nine joint ventures are among the highest in India's tile manufacturing sector, an index of enhanced asset-lightness and investment efficiency.

% of revenues from joint ventures, 2017-18

41

% of revenues from joint ventures, 2012-13

13

Capital allocation & Category extension

At Somany Ceramics, we believe that prudent capital allocation reflects a clarity in business strategy. Over the years, we have selected to invest in high margin cum high growth segments, categories and ranges. Every rupee of the Company's present-day spending is allocated towards high contribution products. We further believe that success is derived from a prudent extension into adjacent business spaces. Until 2008, Somany Ceramics was tile-driven. Thereafter, it began to offer outsourced bathroom solutions (sanitaryware and faucets) which later extended to direct manufacture and subsequent expansion.

% of revenues derived from non-tiles, 2017-18

9.9%

% of revenues derived from non-tiles, 2012-13

3.2%



Brand investments

At Somany Ceramics, prudent brand investments transformed a product push into a consumer pull. Until a decade ago, Somany was India's fourth largest tile brand generating recalls like 'good', 'usual' and 'enduring'. The Company progressively transformed this recall through an entry into new product categories, quicker launches, superior finishes, younger communication - and larger brand investments, which translated into superior unaided brand recall, enhanced realizations and better profitability.

Financial results

Smaller Balance Sheet and capex efficiency

At Somany Ceramics, success lies in being able to do more with less - achieve larger profits with progressively smaller resources. Over the last decade, the Company made an efficient use of debt, negotiated a lower cost of funds and achieved stronger credit rating – a virtuous cycle translating into cheaper fund sources. These and other initiatives helped the Company shrink the size of its Balance Sheet, a test of overall profitability.

Cash flows

At Somany Ceramics, we believe that free cash flows is reality – when what we can generate from the business in a year is higher than what we need to invest in the business, the inflow being higher than the outflow. Over the years, our cash flow has been strengthened by a preference for joint ventures (where we need to invest less than we would have had to for a directly owned project coupled with delegated operational responsibility and liberated management bandwidth without compromising our ability to integrate the performance of such a unit into our Balance Sheet).

Brand investment
(₹ crore), 2017-18
57.63

Brand investment
(₹ crore), 2012-13
15.19

Gross Block & Investment
to sales Ratio,2017-18
3.6%

Gross Block & Investment
to sales Ratio,2012-13
2.5%

Cash profit
(₹ crore), FY18
97.78

Gross Block addition
(₹ crore), FY18
82.82



Debt repayment

At Somany Ceramics, we believe that the most successful companies possess under-leveraged Balance Sheets. Until 2008, Somany's investments in manufacturing facilities and capacities were largely funded through debt. The Company selected to invest in distribution, branding, technologies, joint ventures and high-contribution products that enhanced profits and moderated debt. As gearing improved, interest cover strengthened.

Debt-equity ratio, 2017-18

0.52

Debt-equity ratio, 2012-13

1.17

Compressing revenue tenures

At Somany Ceramics, we believe that revenue growth higher than the industry average makes it possible for the Company to amortise fixed costs more effectively, the basis of our profitability. The Company achieved revenue compression, resulting in quicker growth.

Time (in years) taken to achieve first ₹1000 crore in revenues

43

Time (in years) taken to achieve the next ₹700 crore in revenues

5

Contribution focus

At Somany Ceramics, we have transformed our product mix: from an excessive dependence on ceramic tiles to less than half of our revenues (larger today); the Company enhanced the proportion of revenues from vitrified tiles (polished and glazed), sanitaryware and faucets, which provide a superior contribution.

Non-ceramic tile revenues in 2017-18

61.3%

Non-ceramic tile revenues in 2012-13

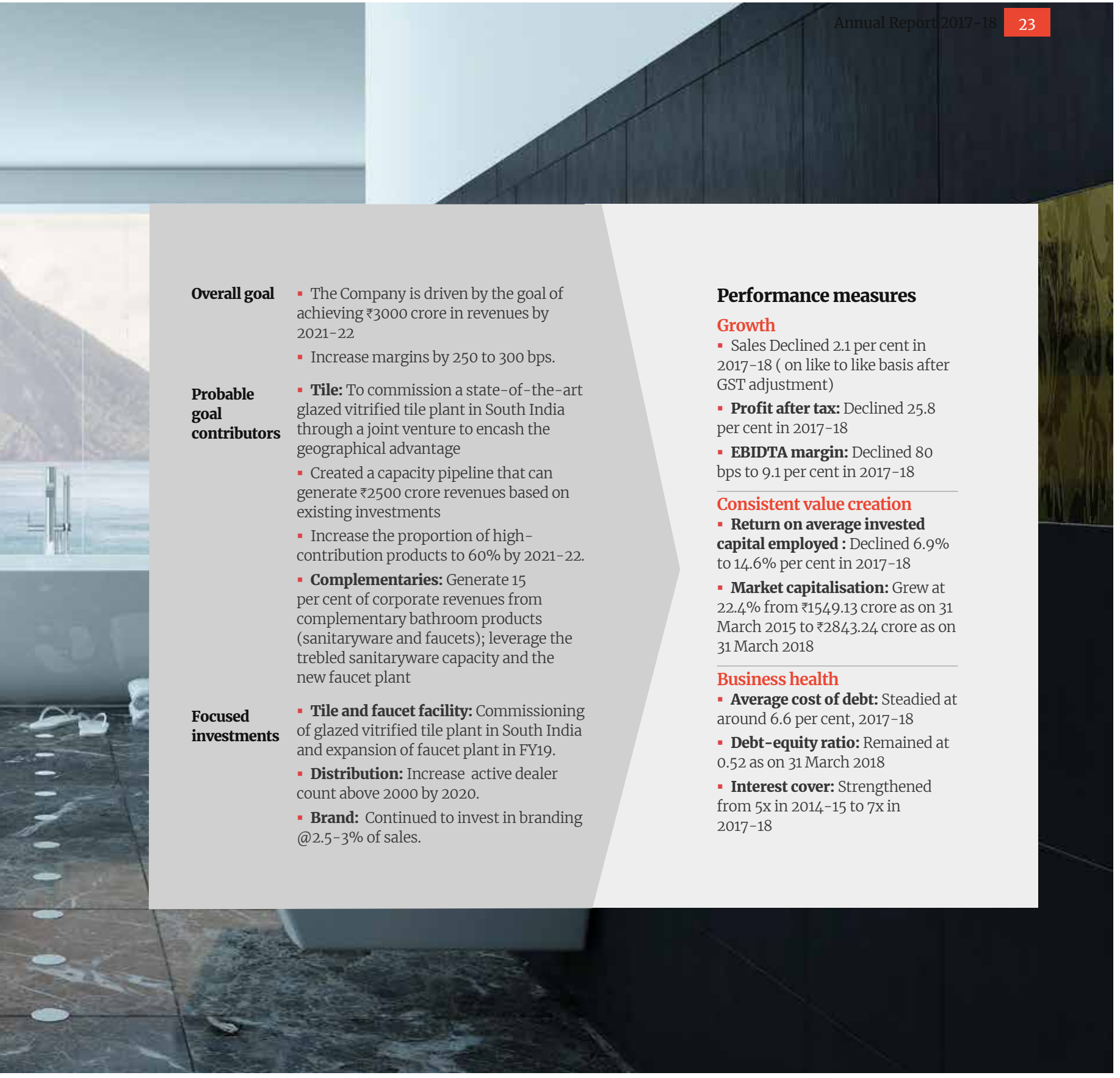
44.4%

At Somany Ceramics, capex efficiency implies the ability to buy into cutting-edge manufacturing assets lower than their prevailing benchmark, fund asset purchase at the lowest cost (debt or net worth), additional infrastructure investments at the outset so that subsequent expansions are quicker and cheaper, and commission and stabilize assets quicker than the industry average.



Our performance ambition

At Somany Ceramics Limited, our performance ambition is to create India's most exciting interior solutions brand



Overall goal	▪ The Company is driven by the goal of achieving ₹3000 crore in revenues by 2021-22 ▪ Increase margins by 250 to 300 bps.
Probable goal contributors	▪ **Tile:** To commission a state-of-the-art glazed vitrified tile plant in South India through a joint venture to encash the geographical advantage ▪ Created a capacity pipeline that can generate ₹2500 crore revenues based on existing investments ▪ Increase the proportion of high-contribution products to 60% by 2021-22. ▪ **Complementaries:** Generate 15 per cent of corporate revenues from complementary bathroom products (sanitaryware and faucets); leverage the trebled sanitaryware capacity and the new faucet plant
Focused investments	▪ **Tile and faucet facility:** Commissioning of glazed vitrified tile plant in South India and expansion of faucet plant in FY19. ▪ **Distribution:** Increase active dealer count above 2000 by 2020. ▪ **Brand:** Continued to invest in branding @2.5-3% of sales.

Performance measures

Growth

- Sales Declined 2.1 per cent in 2017-18 (on like to like basis after GST adjustment)
- **Profit after tax:** Declined 25.8 per cent in 2017-18
- **EBIDTA margin:** Declined 80 bps to 9.1 per cent in 2017-18

Consistent value creation

- **Return on average invested capital employed :** Declined 6.9% to 14.6% per cent in 2017-18
- **Market capitalisation:** Grew at 22.4% from ₹1549.13 crore as on 31 March 2015 to ₹2843.24 crore as on 31 March 2018

Business health

- **Average cost of debt:** Steadied at around 6.6 per cent, 2017-18
- **Debt-equity ratio:** Remained at 0.52 as on 31 March 2018
- **Interest cover:** Strengthened from 5x in 2014-15 to 7x in 2017-18



Branding

Branding is an important aspect of the Company and its personality, playing a key role in success. In line with this reality, Somany chose to give its brand a distinct voice, which was evident in its campaign 'Aapka Style, Somany Style', which became associated with the youth of the nation. This sent a message that for every personality, Somany had a product. Customers enhanced their association with our products, enhancing familiarity and recall.







As consumers increasingly decorate their homes as extensions of their own personalities, the television commercial rose in popularity as well. The TVC was followed with ground activities involving dealers, in-counter branding and promotions on social media.

The Company also conducted two big product launches for the Glosstra Plus and Duragress Tesoro, wherein 150+ dealers across India were invited and trade-related giveaways, such as catalogues, collaterals, sampling and PoS, were given. Meanwhile, the Company focused on the distribution network as customer experience played a key role in decisions. Somany opened 100 showrooms/display centers across the country where customers could go and experience a feel of the tiles in person.

Somany is working on creating two websites, one for Sanitaryware and one for Bath Fittings. These will enable greater engagement and work as exclusive and dedicated touch points for all consumers who want to learn more about our products. The Company was also active on social media, with a call-to-action campaign, where customers came up with their personalities and uploaded a short video clip of which a select few were posted on the Company's website.

Outlook

- The Company will continue to air the television commercial in North and South India through FY19.
- Strengthen sanitaryware and bath fittings distribution by opening 70-80 bath studios in FY19
- Conduct more ground activities, product development, distribution network and trade-related marketing activities and influencer-led marketing activities
- The two individual websites will have an option to place and order directly from the web page

Somany chose to give its brand a distinct voice and ideology which was evident in its campaign 'Aapka Style, Somany Style'





Human Resources

At Somany, we strive to be an employer of choice for our people and drive a culture of learning, development and growth within the organisation. In line with the strategic and business priorities, human resource management plays a vital role in driving outperformance. During the year under review, the Company undertook numerous initiatives to create a performance-based culture. The key focus areas were employee connect, performance support, strengthening the learning culture, strengthening performance appraisals, retaining performing talent, providing growth opportunities and effective talent acquisition.

New employee enablement

At Somany, a significant percentage of hiring is from the non-ceramic tile sector, making our talent pool more enriched and dynamic. To facilitate the growth of these new entrants in our industry, we created an innovative on-boarding procedure which accelerated integration. 'Induction at doorstep' was introduced, which is a pre-induction e-learning module that helps an employee learn all the essential information before the formal induction. Additionally, refresher modules were created and deployed on a pilot basis in southern regions to address knowledge gaps, which might happen, as the employee ages in the organisation. This was implemented in the second quarter and showed significant gains in knowledge retention. The popular 'Samwad' programme was continued through the year, dissolving the hierarchy of a regular organisation and encouraging employees to connect, share knowledge and provide feedback, translating into defined goals of improvement.

Learning culture

A culture of learning was inculcated in Somany by revising the training and learning policy. Digital platforms were leveraged to create e-learning modules while traditional classroom coaching and mentoring addressed comprehensive learning. In line

with this culture, learning was integrated into the performance evaluation for all employees with learning credits added over the year, which were then taken into account during the annual appraisal. Every new product launch was followed by a commensurate learning module, which ensured that every employee had access and a means of avoiding gaps in knowledge.

Performance Management System

The year under review had a two-pronged approach to performance management; one focusing on behavioural competencies and one focusing on the real performance data. Employees' KRAs were directly integrated into the appraisal process while employees that do not have quantifiable goals, were required to submit their quarterly achievements for evaluation, which made the system comprehensively accountable for qualitative and quantitative performance. This created a robust, transparent and fair system for evaluating performance.

Performance support

The Company launched a 'performance enablement plan' for employees who were not able to meet key metrics. A development roadmap was created along with the regional and state heads and, through guidance and mentoring, the programme yielded significant improvement. 40% of targeted underperforming employees converted into distinguished performers over a 4-month period. Monitoring and evaluation was extended for two additional quarters to ensure that the employees received support when needed. The success of this initiative will soon translate into a pan-India deployment.

Employer brand

The Company also worked on creating the identity of a great brand to work for. In the previous year, Somany was ranked 21st in the Employee Brand Awards by the World HRD Congress, while in 2017-18, Somany was recognised as the Best Employee Engagement Company by Kamikaze Media. During the year, the Company continued to drive employee engagement with connecting events such as a children's painting event on Children's Day. Utilizing memories of this event to inspire budding youth, the art works of the painting competition were combined with enchanting value building stories, inform of a unique story book named as the 'Colour Story'. Such innovative ways of extending our connection with children was indeed an effective and unique initiative. Somany also leveraged social media to demonstrate life at Somany and carry stories which can be viewed by anyone. Such initiatives consistently showcased the Company as a great employer and created brand recognition.

In the previous year, Somany was ranked 21st in the Employee Brand Awards by the World HRD Congress, while in 2017-18, Somany was recognised as the Best Employee Engagement Company by Kamikaze Media.

Employee movement and mobility

Along with a performance of culture, the Company empowered employees to grow and develop within the organisation by creating an objective promotion policy. An Internal Job Posting (IJP) platform was introduced, which listed key vacancies and requirements, open to all employees. This has enabled the fulfilment of key job roles from within the Company's employee base over the past two years.

A fast-track growth programme 'Ninja' was also introduced for front-line sales employees that identified performers, enrolled them into an assessment and development programme. The senior management was also involved in this programme, which commits to the development and growth of the employees, preparing them for the next level challenges and roles.

Outlook, 2018-19

Going forward, we need to explore and implement innovative ways of engaging the new age talent, thereby enhancing their productivity and retention in the organization. Taking this challenge as a great opportunity to build Somany as a leading employer brand, we will take strategic initiatives to distinguish Somany as a great employer from all its competitors and other industry players. Considering the changing technology landscape of human resource function and organizations, we will take the lead to adopt new technologies to simplify and accelerate operational performance of HR processes, creating a significant impact on employees' experiences and the organization's overall operational performance. After all, business impact is the true measure of all HR deliverables.

Total employee count
1274 (staff)

Average employee age
36 (years)

Attrition during the year stood at
16%



Tiles

Revenues (2017-18) as a % of overall: 90.1%



Ceramic tiles

Revenues (2017-18) as a % of overall: **38.7%**

Capacity*: **26.55 MSM per annum**

Outsourced: **39.2 per cent**

Number of joint ventures: **2**

Manufacturing facilities: **2**

*Including Joint ventures (Subsidiary/ associates) capacity



Polished vitrified tiles

Revenues (2017-18) as a % of overall: **32.6%**

Capacity*: **16.95 MSM per annum**

Outsourced: **100 per cent**

Number of joint ventures: **5**

Manufacturing facilities: **0**

*Including Joint ventures (Subsidiary/ associates) capacity



Glazed vitrified tiles

Revenues (2017-18) as a % of overall: **18.7%**

Capacity*: **8.49 MSM per annum**

Outsourced: **25.6 per cent**

Number of joint ventures: **1**

Manufacturing facilities: **1**

*Including Joint ventures (Subsidiary/ associates) capacity

Sanitaryware

Revenues (2017-18) as % of overall: 5.9% | Capacity*: 1.15 mn pcs per annum | Outsourced: 50.4 per cent | Number of joint ventures: 1 | Manufacturing facilities: 0



*Including joint ventures (subsidiary/ associates) capacity

Bath fittings

Revenues (2017-18) as % of overall: 3.4% | Capacity*: 0.65 mn pcs per annum | Outsourced: 100 per cent | Number of joint ventures: 1 (Signed off in April 2018) | Manufacturing facilities: 0



*Including Joint ventures (Subsidiary/ associates) capacity

Management Discussion & Analysis



Global economic overview

In 2017, a decade after the global economy collapsed, a revival manifested wherein major economy expanded: ongoing Euro-zone growth, modest growth in Japan, late revival in China and improving realities in Russia and Brazil. The result was an estimated 3.7% global economic growth in 2017, some 60 bps higher than the previous year. It would not be relevant to indicate that crude oil prices increased in 2017 from $54.13 per barrel at year-start to a low of $46.78 per barrel in June 2017 and year-close at $61.02 per barrel, the highest since 2013.

A review of the various national economies is provided below:

- **The US:** The world's largest economy entered its ninth straight year of growth in 2017 (2.3% compared to 1.6% in 2016) catalysed by the spillover arising out of government spending by the previous administration coupled with US$1.5 trillion worth of tax cuts stimulating investments.
- **Euro zone:** This region experienced the upside arising out of cheap money provided by the central bank. In 2017 and is estimated to grow 2.4% compared with 1.8%

Global economic growth

Year	2014	2015	2016	2017	2018 (f)	2019 (f)
Real GDP Growth (%)	3.5	3.2	3.1	3.7	3.9	3.0

[Source: World Economic Outlook, January 2018] e: estimated f: forecasted

in 2016. (Source: WEO January 2018, focus economics).

- **China:** The Chinese economy grew faster than expected in the fourth quarter (October to December) of 2017 at 6.8%, aided by a recovery in exports. This helped China celebrate its first annual growth in seven years. For the full year, China's growth is estimated at 6.9%, its highest since 2010. (Source: WEO, NBS data)
- **Emerging Asia:** Emerging Asia GDP was estimated at 6.5% in 2017, the region driven by infrastructure spending and stable economies.
- **GCC:** These countries were affected by the oil price decline (~60% since 2013), resulting in macro-economic instability that affected job creation and growth. GDP growth remained subdued at 1.8% in 2017 despite efforts to boost the non-oil private sector economy.
- **Russia:** In 2017, Russia was estimated to grow 1.9% following negative growth of 0.6% in 2016 (WEO) and a projected GDP growth of 1.8% in 2018. (Source: MOMR)
- **Brazil:** In 2017, Brazil grew at 1.1% following a deceleration of 3.5% in 2016. The recovery in the GDP was boosted mainly by the agricultural sector which grew by 13%.

Outlook

Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%. *(Source: WEO, IMF)*

Indian economic overview

After registering GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for slower growth of 6.7% in 2017-18. Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period 2014-15 to 2017-18.

The year under review was marked by structural reforms by the Government. In addition to GST introduction, the year witnessed significant resolution of problems associated with bank non-performing assets, FDI liberalization, bank recapitalization and privatization of coal mines. After remaining in negative territory for a couple of years, export growth rebounded in 2016-17 and strengthened in 2017-18; foreign exchange reserves rose to US$ 414 billion as on January 2018. *(Source: CSO, economic survey 2017-18)*

Key government initiatives

- **Bank recapitalisation scheme:** The Central Government announced capital infusion of ₹2.1 lac crore in public sector banks.
- **Expanding road network:** The Government of India announced a ₹6.9 lac crore investment to construct 83,677 kilometers of roads across five years.
- **Improving ecosystem:** The country was ranked at the hundredth position, an improvement of 30 places in the World Bank's Ease of Doing Business 2017 report,

Estimation for FY2017-18 vs. FY2016-17

	2017-18*	2016-17
GDP growth	6.7%	7.1%
GVA growth	6.4%	9.0%
Farm growth	3%	9.0%
Manufacturing growth	5.1%	9.3%
Power and gas growth	7.3%	6.5%
Mining growth	3%	1.9%
Construction growth	4.3%	3.5%
Trade, hotel, transport, telecom growth	8.3%	9.8%
Financials, realty growth	7.2%	9.8%
Public, admin, Defence growth	10.1%	16.6%
Per capita income growth	8.3%	9.7%

**Estimated*
[Source: http://pib.nic.in/newsite/PrintRelease.aspx?relid=163287]





a result of the Central Government's pro-reform agenda.

- **Goods and Services Tax:** The Government of India launched GST in July 2017, with the vision of creating a unified market. Under this regime, various goods and services would be taxed as per five slabs (28%, 18%, 12%, 5% and zero tax).
- **Foreign Direct Investment:** Foreign direct investment increased from approximately USD 24 billion in FY2012 to approximately USD 60 billion in FY2017, an all-time high.
- **Coal mining opened for private sector:** The government opened coal mining to private sector firms for commercial use, the most ambitious sectoral reform since nationalization in 1973.
- **Doubling farm incomes:** The government initiated a seven-point action plan to double farm incomes by 2022.

Outlook

World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and services are expected to continue to support economic activity. Private investment is expected to revive as soon as the corporate sector adjusts to the GST. *(Source: IMF, World Bank)*

Global tile industry overview

Global tile production in CY 2016 surpassed 13 billion square meters, reaching 13,056 MSM, a 5.7% increase over CY 2015's global production. Asia reported growth with production up from 8,631 to 9,331 MSM (71.5% of total global production), an 8.1% increase from CY 2015. This was driven by the growth in China, India, Vietnam and Iran. The European continent produced a total

of 1,877 MSM (14.4% of global production) including a 7.1% growth from 1,218 to 1,304 MSM in the European Union and a more limited 1.1% growth to 573 MSM in non-European Union nations. In the American continent, total production fell from 1,523 to 1,444 MSM (11% of world production) due to sharp contraction in Central and South America, where output volumes dropped by 9% to 1,086 MSM. By contrast, growth in output continued at an even more rapid pace in North America, growing by 8.5% to reach 358 MSM, thanks to an upturn in both Mexico and the US. Africa's output dropped by 3.4% to 399 MSM. In CY 2016, global tile consumption increased 5%, from 12,177 to 12,783 MSM. Asia accounted for 69% of the global consumption, with demand increasing by 8% to 8818 MSM. The European Union also reported a 5.9% consumption growth, from 910 to 964 MSM, while non-European Union markets witnessed a slight contraction of 0.9% to 527 MSM due to the downturn in Russia. Turkey witnessed a slight recovery which helped offset the consumption slump. Brazil witnessed one of the worst drops in demand, lowering Central and South American consumption by 7.7% to 1,180 MSM. North America witnessed a steady demand growth, rising from 507 MSM to 547 MSM, registering growth of 7.9% largely driven by Mexico and the US. Consumption in Africa continued shrinking, reducing by 5.5% to 691 MSM on account of poor demand in Nigeria, Libya and Egypt. On the exports front, total global exports grew marginally in by CY 2016 1.7% to 2,794 MSM, showing a similar growth trend as the previous two years. Central and South American countries registered the highest export growth of 11.9% from 126 to 141 MSM, while the European Union registered a 5.5% growth from 856 to 903 MSM. Non-European Union markets also posted a 5.5% growth from 139 to 147 MSM. Asia witnessed a slight contraction in exports of 0.8% but still accounted for 54.2% of the world exports at 1,513 MSM. North American exports de-grew by 7.7% from 65 to 60 MSM, while Africa too witnessed a decline of 14.3% from 35 to 30 MSM.

Outlook

The global tiles market is estimated to reach US$178.1 billion by end-2024, compared to US$99.74 billion in 2017, growing at a CAGR of 9.9%. Manufacturers are increasingly cashing in on the rise in demand with diversified products across categories such as roofing, ceiling, wall and floor tiles. Among all categories, floor tiles recorded the highest volumes out of the overall consumption volume of ceramic tiles in 2017. The simplicity, ease of replacement and maintenance finds applications in transport infrastructure, such as railway stations and airports. Educational institutions and hospitals also prefer tiles over other flooring materials. This coupled with residential sector is expected to keep demand high over the foreseeable future.

Indian tile industry overview

The Indian tile industry in 2017 was estimated to be worth ~₹26,500 crore. India overtook Brazil to become the second-largest tile exporter and consumer in CY 2016. Production in India increased by 12% from 850 to 955 MSM while consumption increased slightly by 2.9% to 785 MSM. Morbi in Gujarat sustained its growth with estimates indicating upwards of 500 production lines, of which many are exclusively for exports, which increased by 38.8% from 134 to 186 MSM, securing India's spot among the top exporters. In terms of value, Indian exports accounted for 598 million euros with the average selling price of 3.2 euros per square meters, one of the lowest rates among exporter nations. Saudi Arabia remained the top importer of Indian tiles, growing by 23% from 49 to 60 MSM, replacing Chinese imports. Iraq was the second-largest importer, growing 29% by volume to 11.5 MSM while the UAE was the third-largest with 11.4 MSM. Oman and Kuwait imported 10 MSM, double that of CY 2015. Finally, Mexico established itself a major importer of Indian tiles at 7MSM. Overall, Asia nations absorbed 74.5% of Indian exports, Africa 13%, Europe 4.8%, North America 4.3% and South America, 3%.

Outlook

India is witnessing an increase in demand for floor and wall tiles. With the added affordable and urban housing impetus, the tile industry is poised for attractive growth. Governmental initiatives such as the Swachh Bharat Abhiyaan, Housing for All 2022 and housing being given infrastructure status are expected to sustain demand for the foreseeable future.

Growth drivers

- **Downstream demand:** The primary drivers of the tile industry are the housing sector, accounting for 70% of the demand. Commercial real estate comes second, accounting for 15% of the demand while the replacement market accounted for the rest. The per capita consumption of tiles in India stood at a mere 0.60 square meters compared to China's 2.6 square meters, Brazil's 3.4 square meters and Europe's 5-6 square meters. This represents a significant opportunity for the organised sector to grow

during the years that lie ahead.

- **Good and service tax to benefit the organised players:** Building product industry is mostly fragmented with large share of unorganised player and high price gap between organised and unorganised largely due to tax avoidance. GST rates for most of the building products have been either lower or flat than the earlier tax rates which has narrowed down the product price difference between organised and unorganised players. This would lead to accelerated pace of shift in business towards organised players, consolidation in industry and formalisation of unorganised players. Overall, this would support robust growth and ease of pricing pressure for organised players. Organised players would further gain through GST as it will create a seamless national market resulting in removal of interstate barriers and an improvement in supply chain.

Product	Pre GST tax rate (%)	Post GST tax rate (%)
Tiles	25%+	18
Sanitaryware	25% +	18
Faucets	25% +	18

The market share shift from un-organised to organized players post GST has been slow. The real effort on part of the Government beyond lowering rates, would now have to be towards rigorous implementation and compliance of GST laws.

- **Revival in real estate vital for robust growth:** Real estate sector is the largest contributor and key driver for growth factor of building products has witnessed multiple challenges like – crackdown on black money, benami transactions, strict compliance norms and accountability in the RERA regime, rise in unsold inventory, affordability issue due to higher prices and higher interest rate. However, real estate sector has bottomed out and stage has been set for gradual revival in real estate sector.

In a nutshell, 2018 is likely to be a year of revival defined by improved buyer sentiment, restricted new launches, improving sales, declining unsold units and consolidation in the Indian real estate sector. As time unfolds, we will witness an era of the new and improved organized real estate business in the country. Further, macro factors like increasing urbanisation, nuclear family concept, low per capita consumption, rising disposable incomes and Government's push for Housing for All, smart cities and improvement of sanitation to provide longevity and sustainability to robust demand growth.

- **RERA was a complete game-changer for Indian real estate:** There was no specific law for housing prior to RERA and consumers had to depend on the agreement with the builders, which generally favours the latter. The implementation of RERA with provisions like 70% of the amount paid to be transferred to an escrow account, all necessary clearances to be obtained before selling, deadline for building construction to be adhered to etc. are structural changes in the way real estate industry operates in India. RERA is a complete game changer for organized real estate players; this in turn is likely to benefit the organized segment of building materials industry.
- **Governmental initiatives:** The Government of India launched a number of policies and initiatives in the affordable housing segment, with a cumulative 6-8 billion sq. ft. development opportunity in the country over the next 3-4 years. As per Government estimates, over 40 million urban homes need to be constructed by the year 2022 in order to achieve the targets under the housing sector. The Government is expected to fund 15-20% (approximately ₹1.2 trillion) over the next 3-4 years, with the remaining investment coming from private investments and PPP projects. The Government had also launched the Swachh Bharat Mission in October, 2014 with two Sub-Missions – the Swachh Bharat Mission (Gramin) and the Swachh Bharat Mission (Urban). The Mission aims to achieve a Swachh Bharat by 2019, with over 7,93,47,808 household toilets constructed till date.
- **Increasing urbanisation:** Urban housing demand in India is set to grow ~15 million units by end-2019. The top-eight cities could account for ~3.4 million units of urban homes. Governmental initiatives such as Smart Cities, AMRUT and Housing for All by 2022 are also expected to boost urban housing demand.
- **Housing sector:** According to credible opinion makers, the housing sector is at a tipping point and will be the economy's next big growth driver. According to CLSA, India expects to build 60 million new homes to be built between 2018 and 2024. In addition, declining home finance rates and increasing funding options are expected to catalyse the demand for housing over the coming years.
- **Discretionary incomes:** Following recommendations from the Seventh Pay Commission, the discretionary income of households is likely to witness growth. Additionally, the Reserve Bank of India's initiative to reduce the cost of loans is also expected to free up more funds for spending.

- **Demographic advantage:** ~64.4% of India's total population was between the ages of 15 to 59 years in the year 2015, according to a Sample Registration Survey's statistical report. Furthermore, it is estimated that by 2020, more than 50% of the country's population would be below the age of 25 years. This young and vibrant consumer base with increased discretionary spending would be favourable to the interiors and décors industry.
- **Replacement market:** The replacement market is witnessing an uptick with homeowners increasingly adapting to the simplicity and ease of using tiles on floors and walls. Various improvements through technology have created tiles suiting every need, niche and budget, enhancing their adoption for home improvement. The trend of designer homes and the replacement of higher-maintenance natural stone floors are also driving demand for tiles.
- **Anti-dumping duties:** The Directorate General of Anti-Dumping and Allied Duties (DGAD) has imposed an anti-dumping duty on Chinese vitrified tiles for the next 5 years, valid up to 2022. It is implemented on imports of glazed/unglazed porcelain/ vitrified tiles in polished or unpolished finish with less than 3% water absorption. Vitrified tiles (polished and glazed) constitute almost ~50% of total India tiles consumption.

The Indian tile industry in 2017 was estimated to be worth ~₹26,500 crore. India overtook Brazil to become the second-largest tile exporter and consumer in CY 2016.

In terms of value, Indian exports accounted for 598 million euros with the average selling price of 3.2 euros per square meters, one of the lowest rates among exporter nations.





Sanitaryware and Bath fittings

Sanitaryware market size is ~₹42 bn which is growing at a CAGR of ~15% over the last six years while faucetware market size is ~₹72 bn which is growing at a CAGR of 13% over the last six years. Organised sector accounts for ~40% of the market size.

The Company entered the sanitaryware and bath fittings segment by outsourcing of product couple of years back and has recently increased its focus on this segment by enhancing product portfolio, leveraging & establishing distribution network and spending on popularizing the sanitaryware brand. This segment provides strategic fit and portfolio enrichment as these products are broadly sold through the existing distribution network and retail showrooms.

Recently the Company, acquired 51% equity stake in a faucets plant having capacity of 6.50 lakhs pieces per annum and looking forward to treble the capacity in phased manner and also Somany Bathware was an official partner at the Indian Premier League through partnership with Royal Challengers Bangalore which further helped in brand outreach to prospective customers and through this association the Company was able to target younger audience. Somany had all image rights for all the players and the team logo, entitling them to create co-branded merchandise and assist in the brand's BTL communication.

Financial review (based on standalone financial performance)

Profit and Loss account analysis

- **Total income:** Sales declined marginally, on like to like basis after making adjustment on account of GST, to ₹163,130 lac during FY18 from ₹166,593 lac during FY17 mainly due to implementation SAP in Q1 which impacted the business adversely.
- **Expenditure:** Total expenditure excluding excise duty was ₹157,885 lac during FY18 as compared to ₹168,008 lakhs in FY17; reduction in expenditure is mainly on account of lower purchases of stock-in-trade.
- **EBITDA:** EBITDA decreased to ₹15,022 lac during FY18 as compared to ₹17,812 lac during the previous fiscal mainly due to lower sales and increase in costs.
- **Depreciation:** Depreciation during the year increased to ₹2704 lac from ₹2171 lakhs commensurate to increase in gross block.
- **Finance cost:** Finance costs during the year went up to ₹1,766 lac compared to ₹1,652 lac during FY17 on account of increase in long term and short term debts.
- **Profit before exceptional items:** Profit before exceptional items for the year stood at ₹10,553 lac compared to ₹13,990 lac in previous fiscal.
- **Exceptional items:** Exceptional items stood at ₹4.40 crore on account of on account of loss on discard of certain plant and machineries and settlement of demand of wage raise during the year.
- **Profit before tax:** Profit before tax stood at ₹10,112 lac compared to ₹13,584 lac during FY17 mainly on account of lower sales and increase in cost components like power & fuel, employees cost etc.
- **Net profit:** Net profit declined to ₹6,510 lac during FY18 as compared to ₹8,771 lac during FY17.

Balance Sheet analysis

- **Net worth:** Net worth increased to ₹55,973 lac during FY18 compared to ₹50,856 lac during FY17 on account of ploughing back of profits.
- **Total debt:** Total debt increased to ₹28,866 lac compared to ₹24,760 lac during FY17 mainly due to increase in working capital utilisation.
- **Net block:** Net block (including capital work-in-progress) increased to ₹38,692 lac during FY18 as compared to ₹32,263 lac during FY17 primarily due to addition of plant and equipment on modernisation of certain lines, installation of solar plant, SAP etc.
- **Long-term investments:** Long-term investment stood at ₹5,063 lac in FY18 as compared to ₹5,097 lac in FY17.
- **Net current assets:** Net current assets increased to ₹44,879 lac during FY18 from ₹41,585 lac during FY17 mainly due to increase in receivables.

Risk management

Economic risk
Any adverse economic impacts or fluctuations could affect the Company's operations

- **Mitigation:** The Company possesses a prudent mix of customers, catering to both institutional as well as retail clients and its business model is structured in a manner that significantly reduces impacts stemming from economic upheavals.

Forex risk
Fluctuations in foreign exchange values could affect profitability

- **Mitigation:** The Company maintains a good balance of exports and value-added products to mitigate risks arising out of volatility although the exposure itself is not very high. The Company is also mitigating this risk through natural hedge.

Competition risk
Higher competition from the industry could affect margins

- **Mitigation:** The Company has products catering to every budget, size and design. The diversified portfolio enables the Company to provide products that can address every conceivable need.

Product risk
Lack of innovation or development could reduce offtake

- **Mitigation:** Somany continually engages in R&D to create new products with special properties such as extra-hardening or anti-slip finish. Our patented products like 'VC Shield' and 'Slip Shield' are testimony to our innovation.

Operational risk
Inefficient operations could affect profitability

- **Mitigation:** The Company has developed internal processes and standards over time to enhance efficiency and quality. Appropriate checks are made to identify areas of improvement and implement enhancements.

Brand risk
Poor visibility could impact market share

- **Mitigation:** Somany launches appropriate brand campaigns to stay relevant. Case in point: the recent campaign, 'Aapka style. Somany style', was well-received by consumers.

Distribution risk
Inability to extend into developing markets can affect growth

- **Mitigation:** The Company continuously expands its dealer network, including launching experience centres for the best possible customer experience. The Company increased its dealer and sub-dealer network during the past year.

Internal control systems and their adequacy

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

DIRECTORS' REPORT

Dear Members,

Yours Directors have pleasure in presenting the 50th Annual Report together with the Annual Audited Financial Statements of the Company for the year ended 31st March 2018.

FINANCIAL SUMMARY

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
Revenue (Net Sales)	1,65,326	1,79,197	1,70,821	1,72,781
Profit Before Depreciation, Interest and taxes	15,022	17,813	20,396	25,085
Profit before Tax	10,112	13,584	11,836	17,653
Tax Expense	3,602	4,813	3,926	6,150
Profit After Tax (before Minority interest)	6,510	8,771	7,910	11,503
Minority Interest	–	-	866	1,687
Profit After Tax (after Minority interest)	6,510	8,771	7,044	9,816
Transferred to General Reserve	–	–	–	

FINANCIAL REVIEW

(The financial discussion is based on Standalone Financial Statements)

This year your company was initially confronted with teething issues post implementation of SAP in April, 2017, thereafter, with the introduction of GST experienced hicups due to constant changes in rates and regulations.

Arising out of the above, revenues (net sales) of the Company declined marginally to ₹ 165,326.33 lakhs during the year under review. The Earnings before Interest, Depreciation and Tax (EBIDTA), Profit before Tax (PBT) and Profit after Tax (PAT) for the year under review are ₹ 15022.08 lakhs, ₹ 10112.13 lakhs and ₹ 6509.98 lakhs respectively.

CORPORATE HIGHLIGHTS

Access to Capacity

During the year under review, your Company had access to ~61 million square meters (msm) of tiles through own plants (26.28 msm), subsidiaries/ associates (25.71 msm) and other outsourced partners (~9 msm).

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 ₹ 10128.49 Lakhs (previous year ₹ 3280.82 Lakhs) towards enhancing capacity and meeting routine capital expenditure requirements of own manufacturing plants.

Branding and Distribution

It is imperative for brand "Somany" to explore new marketing/advertising possibilities and newer ways of targeting specific target groups. Therefore, we engaged a top notch creative agency who understands the dynamic advertising & media environment, we have since recruited Ogilvy & Mather (India's No.1 Advertising Agency), who came on board with a fresh and progressive approach in developing marketing campaigns which involves consumers/trade/influencer segment **and remains amongst the top 3 brands for consideration within our industry.**

Your company launched a fresh and peppy 360-degree TV advertisement campaign, **'Aapka style, Somany style',** which reinforced the brand's commitment to meet the diverse customer personalities

and requirements through its vast enriched product portfolio. The campaign unfolded with a power-packed all-round outreach and engagement plan across media vehicles. The brand had a significant presence across digital, retail, radio, print, cinema and TV with an estimated 1000+ GRPs.

Your company also released new print ads for product categories like Duragres, Glosstra Plus Duragres Planks and French Collection. This was aimed to ensure visibility round the year in Home & Décor, B2B/ Trade, Premium positions like Back Cover, Inside Front Cover etc. were taken in various B2B and B2C magazines with avg. circulation of 75,000 + copies across various publications Architectural Digest, BBC GoodHomes, Elle Décor, India Today Homes, Better Interiors, Better Homes & Garden, Inside Outside etc. Kerala being one of the focus states few advertisements were released in Vanitha (General Interest Magazine) & Veedu (Home Décor Magazine) thereby accelerating the growth momentum in the city.

To provide thrust to Sanitary ware & Bath Fittings business we had undertaken a brand positioning activity by associating with Royal Challengers Bangalore (RCB) as "Official Partner" for IPL 2018 with category exclusivity. As a result of this, your company and RCB partnered to ensure a 360° reach which entailed a series of marketing activities and advertising campaigns across all touch points like outdoor, digital, social, and print. Marque RCB players – Virat Kohli, AB De Villers and Chahal were featured as brand ambassadors helping us in our brand outreach to prospective customers and younger audience.

The company established key relationships and engaged with the PR firm and other media partners and ensured target brand visibility through out the year by highlighting Somany's expanding retail foot print, new product launches, financial performances and major corporate announcements. We garnered a total of 380 pieces of coverage for F.Y. 2017-18 which is an average of 1 clip per day. As a result, we managed to get significant free on air time with leading business news channels including CNBC, TV18, ET Now, CNBC Awaaz, etc.

In finding out new ways to reach out to the whole nation, your company executed in-cinema advertising during the screening of blockbusters like Bahubali 2, Tubelight, Jab Harry Met Sejal, Tiger Zinda Hai & Padmavaat. This also helped our brand grow and find recognition pan India.

Your Company is relentlessly working on innovation and product development. To cater the dynamic requirement of customers your company launched two new product ranges Duragres Tesoro & Glosstra Plus which received a good response from the market.

Keeping up the tradition of strengthening the distribution network and expanding footprints, your company opened about 100 showrooms/ display centres across the country.

Digital Presence of Somany has seen a progressive growth of more than 7% through month-on-month sales using its various digital touch points. One of the most quirky campaign was launched through Social Handles of Somany to promote its brand new TVC which garnered more than 1 million YouTube views and saw a boosted engagement rate of 28.41% on Facebook and 52.4% on Instagram, ***#Aapka Style Somany Style*** trended nationally on Twitter for more than 3 hours at top 3 positions. Digital sales were boosted by lead generation exercise through Social Media, SEO and SEM activities.

INDUSTRY SCENARIO AND OUTLOOK

The year 2017-18 was marked by several key structural initiatives to build strength across macro-economic parameters for sustainable growth in the future. These reforms are expected to help reduce internal barriers to trade, increase efficiency and improve tax compliance. The 1st half of the financial year was guarded by continuing effects of demonetization and the implementation of GST from 1st July 2017. However, the economy recovered from the initial setbacks to grow at over 7% in the 3rd quarter. In FY 2017-18 GDP growth was pegged at 6.6% and is estimated to further grow at 7.3% in 2018-19.

DIVIDEND

Your Directors are pleased to recommend a dividend of 135% i.e. ₹ 2.70 per equity share for the year under review i.e. same as the previous year. This represents a pay-out ratio of 21.2%. Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the dividend declared by the Company is as per the Dividend Distribution Policy adopted by the Company in the year 2016-17 which is as follows:

• The Company was incorporated on 20th January, 1968 and started its commercial production in 1972. The company has been paying dividend continuously since 1974 except for the year 2002-03 to 2006-07.

• Dividend pay-out is decided on the basis of macro-economic factors, expected future cash flows and future capital needs for expansion of production capacities of the company from time to time and keeping in view contingencies for meeting unforeseen financial obligation of the Company.

The Dividend Distribution policy is also available on the website of the Company at the web link: https://www.somanyceramics.com/wp-content/uploads/2017/03/Dividend-Distribution-Policy_SCL1.pdf

TRANSFER TO RESERVES

No amount was transferred to the General Reserve of the Company for the financial year ended 31st March, 2018.

UTILISATION OF PROCEEDS ON ISSUE OF SHARES

Out of ₹ 11,999.97 lakhs raised through qualified institutions placement of equity shares in December, 2015, the Company has so far utilized ₹ 1849.97 lakhs (including issue expenses of ₹ 307.34 lakhs) for the purpose the funds were so raised and balance ₹ 10150.00 lakhs has been temporarily invested mainly in the debt instruments/funds.

PUBLIC DEPOSITS

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

SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES

During the year, your Company increased equity stake in M/s. Sudha Somany Ceramics Private Limited (formerly known as Sudha Ceramics Private Limited) from 50% to 51% on 20th September, 2017 and it became Subsidiary of your company and also acquired 51% stake in M/s Amora Ceramics Private Limited thereby making it subsidiary of the company.

Your Company further increased its stake in M/s Sudha Somany Ceramics Private Limited from 51% to 60% on 1st May, 2018 and also acquired 51% stake in M/s Karanjot Enterprises Private Limited on 1st May, 2018 which is engaged in the business of manufacturing and selling of Bath Fittings items such as faucets, showers etc.

There was no business activity in M/s SKPL Ceramics Private Limited (Formerly known as 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.) therefore Joint Venture Agreement executed between the Company and M/s. Keraben Grupo S.A was terminated during the year and an application to remove the name of M/s. SKPL Ceramics Private Limited from the register of Companies was filed, which is under process.

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

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All transactions entered with Related Parties during the financial year were on arm's length basis and were in the ordinary course of business. Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2, is not required. Your directors draw attention of the shareholders to the financial statements which set out related party disclosures.

Related Party Transactions Policy as approved by the Board has been uploaded on the Company's website www.somanyceramics.com at the web link: https://www.somanyceramics.com/wp-content/uploads/2017/06/Related-Party-Policy_Revised_24.01.2017.pdf

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 forms part of this Annual Report as **Annexure – 2**.

RISK MANAGEMENT

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

INVESTOR EDUCATION & PROTECTION FUND (IEPF)

The Company is required to transfer dividends which remained unpaid/unclaimed for a period of seven years to the IEPF established by the Central Government. The unpaid/ unclaimed dividend for the year ended 31st March, 2011 is due for transfer to IEPF on or after 11th September, 2018.

During the period under review, the MCA vide its General Circular No. 12/2017 dated 16th October, 2017 provided that where the seven years' period provided under sub-section (5) of Section 124 was completed for unpaid/unclaimed dividends during 7th September, 2016 to 31st October, 2017, the due date for transfer of such shares by Companies was 31st October, 2017. During the period under review, the Company transferred 88,625 Equity shares of ₹ 2/- each of 89 shareholders of the Company held in physical/demat form, whose dividends remained unclaimed for consecutive 7 years i.e. from 2008-09 to 2015-16 and 17,464 Equity shares of ₹ 2/- each of 8 shareholders held in physical form, whose dividends remained unclaimed from 2009-10 to 2016-17, to Investor Education and Protection Fund (IEPF) pursuant to Section 124 (6) of the Companies Act, 2013 within the scheduled time.

STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

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

AUDITORS' REPORT

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) In the preparation of the annual accounts for the year ended 31st March, 2018, 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 31st March, 2018 and of the profit of the Company for the year ended on 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 Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consolidated financial statements

have been prepared in accordance with applicable Accounting Standards. The audited consolidated financial statements together with Auditors' Report forms part of this Annual Report.

The consolidated net profit of your Company was ₹ 7044.42 Lakhs in the year under review compared to ₹ 9815.80 Lakhs in the corresponding previous year.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mrs. Anjana Somany retires by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment.

Mr. Ghanshyambhai Girdharlal Trivedi, Chief Executive Officer of the Company retired from the post of Chief Executive Officer of the Company w.e.f. 17th August, 2017.

Mr. Tuljaram Maheshwari, Deputy Chief Executive Officer and Chief Financial Officer of the Company was re-designated as Chief Executive Officer and Chief Financial Officer of the Company w.e.f 17th August, 2017.

During the period under review, the Company has appointed Shri Ghanshyambhai Girdharlal Trivedi, as an Additional Director with effect from 1st September, 2017 upon recommendation of Nomination and Remuneration Committee of Company to hold the office until the date of ensuing Annual General Meeting of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 from member signifying the intention to propose the candidate for the office of director at the ensuing Annual General Meeting of the Company.

Mr. Rameshwar Singh Thakur has been appointed as an Additional Director of the Company on 24th May, 2018 and he shall hold the office until the date of ensuing Annual General Meeting of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying the intention to propose the appointment of Mr. Rameshwar Singh Thakur as an Independent Director of the Company at the ensuing Annual General Meeting of the Company.

Mr. Girdhari Lal Sultania, Non-Executive Non Independent Director resigned from the directorship of the Company w.e.f. 24th May, 2018. The Board places on record his contribution during his tenure of Directorship of the Company.

Mr. Tuljaram Maheshwari, Chief Executive Officer and Chief Financial Officer of the Company resigned from the post of Chief Financial Officer of the Company w.e.f. 30th January, 2018 and he was appointed as Chief Executive Officer i.e. Whole Time Key Managerial Personnel by the Board of Directors w.e.f 30th January, 2018 upon recommendation of Nomination and Remuneration Committee of the Company.

The Board of Directors appointed Mr. Saikat Mukhopadhyay as Chief Financial Officer i.e. Whole Time Key Managerial Personnel w.e.f. 30th January, 2018 pursuant to Section 203 of the Companies Act, 2013 upon recommendation of Nomination and Remuneration Committee of the Company.

DELCARATION OF INDEPENDENCE

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

BOARD EVALUATION

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

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

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

Independent Directors had carried out performance evaluation of Non-

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

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

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

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

NOMINATION AND REMUNERATION POLICY

The Board has modified Nomination and Remuneration Policy in its meeting held on 24th May, 2018. The modified policy is attached herewith as **Annexure - 3** which forms part of this report and the same has also been uploaded on website of the company at www.somanyceramics.com at the weblink https://www.somanyceramics.com/wp-content/uploads/2018/07/Nomination-and-Remuneration_Policy_Revised.pdf

MEETINGS OF THE BOARD

Five (5) meetings of the Board of Directors, Three(3) meetings of Nomination and Remuneration Committee, Four (4) meetings of Stakeholders Relationship Committee and Five (5) meetings of Audit Committee were held during the year the details of which are given in the Corporate Governance Report forming part of this Annual Report.

AUDIT COMMITTEE

The Audit Committee reconstituted during the year and comprises Independent Directors namely Mr. Ratna Kumar Daga (Chairman), Dr. Yoginder Kumar Alagh, Mr. Salil Singhal, Mr. Siddharath Bindra and non-independent directors Mr. G.L. Sultania and Mr. G. G. Trivedi who was inducted as member of Audit Committee w.e.f. 10.4.2018. All the recommendations made by the Audit Committee were accepted by the Board.

AUDITORS

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

The provisions of the Companies (Amendment) Act, 2017 notified on 7th May, 2018 omitted the first proviso to sub-section 1 of Section 139 of the Companies Act, 2013 which provided for ratification of appointment of Statutory Auditors of the Company.

However, since the resolution passed on 25th August, 2017 contains such requirement, it is proposed by the Board of Directors on recommendation of Audit Committee, as a major of abundant caution, to have ratification of appointment of Statutory Auditors, done by the members for the entire unexpired period.

In this regard, the Company has received a letter from the auditor's M/s. Singhi & Co., Chartered Accountants, confirming that they are eligible to continue 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 Companies Act, 2013 till the conclusion of 54th AGM of the Company.

SECRETARIAL AUDITOR AND THEIR REPORT

The Board had appointed M/s Pinchaa & Co., Company Secretaries having registration number P2016RJ051800 to conduct Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2017-18. The Secretarial Audit Report for the financial year ended 31st March, 2018 is annexed and marked as **Annexure – 4** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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 – 5** to this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has formulated, developed and implemented a Corporate Social Responsibility Policy in terms of provisions of Section 135 of the Companies Act, 2013 read with Corporate Social Responsibility Policy Rules 2014 on recommendation of Corporate Social Responsibility Committee (CSR Committee) and approval of the Board of Directors of the Company. CSR Committee undertakes CSR activities in accordance with its Corporate Social Responsibility Policy (CSR Policy) uploaded on the Company's website at www.somanyceramics.com at the weblink:https://www.somanyceramics.com/wp-content/uploads/pdfs/policies/scl-corporate-social-responsibility-policy.pdf

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

The CSR initiatives of the Company are implemented directly and through various trusts/ societies/ NGO's. The Company also carried out the CSR activities through a Section 8 Company under the Companies Act, 2013 incorporated under the name M/s H. L. Somany Foundation.

The 2% of the average net profit of the Company, made during the three immediately preceding financial years comes out to be ₹ 192.75 Lakhs. A report on CSR activities is provided at **Annexure – 6** to this report.

INTERNAL CONTROL SYSTEMS

The Company has an Internal Control System, commensurate with the size, scale and complexity of operations.

The internal control is supplemented by the extensive programme of internal audits, review by management and by the Audit Committee, and documented Policies, SOPs, Guidelines and Procedures.

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

During the year, no reportable material weakness in the design or operation was observed.

HUMAN RESOURCE (HR)

Our increasing focus on process simplification and operational excellence, has resulted in well Integrated HR practices and are directly contributing to the business requirements of the Company. HR initiatives during the year focused strongly on simplifying structures, hierarchies and removing redundant workflows, thereby supporting business performance. While strengthening on recent implementation of SAP, we have clarified and demarcated functional responsibilities and inter-dependencies in alignment of this change. To minimize our order processing to value generation turnaround time, we have built up state-centered order processing teams across India. These independent state-based teams are capable to address the state specific requirements and challenge in shortest possible times, without intervention of long hierarchies.

Considering our aggressive growth plans across verticals, we have customized our talent development strategy, making it more apt to the needs of existing talent and the organization. As the average age of the company is declining with more and more millennials joining our workforce, we have transformed our traditional Learning and Development (L&D) model and policies into more dynamic and performance facilitating learning model & practices. To make our L& D offerings more reachable and engaging to the people, we have introduced many insightful learning courses through our E-learning portal "E-Campus". Through E-campus, we have effectively imparted critical programs on New Joiner orientation, Product Knowledge, Commercial standards, professional effectiveness and life-skill enhancement, to our employees spread across India. Furthermore, to encourage a learning culture in the organization, we have integrated annual learning initiatives undertaken by an employee to their annual appraisal summary (as Quantified Learning Credits). The learning credit score of an employee represents his/her learning and growth orientation and hence acts as a meaningful insight. Our year-round consistent and unique initiatives taken, aim to partner the business and distinguish Somany as a Powerful Employer brand, attracting and employing the best talent from the Industry.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has a continous vigil mechanism in the form of Whistle Blower Policy in line with Regulation 22 of the SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015 and in terms of Section 177(9) of the Companies Act, 2013. The policy enables the stakeholders (including Directors and employees) to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct.

The Policy provides adequate safeguards against victimization of Director(s)/ employee(s) and enable direct access to the Chairman of the Audit Committee in exceptional cases. The protected disclosures, if any, reported under this Policy are appropriately and expeditiously investigated by the Chairman. The details of the Whistle Blower Policy is also explained in the Corporate Governance Report and is also available on the website of the Company at the weblink:https://www.somanyceramics.com/wp-content/uploads/pdfs/policies/whistel-blower-policy.pdf

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

The information on conservation of energy, R&D, technology absorption, foreign exchange earnings and outgo as required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is annexed as **Annexure – 7** forming part of this Report.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided at **Annexure – 8**.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of employees and other particulars of the top ten employees and employees drawing remuneration in excess of the limits as provided in the said rules are set out in the Board's Report as an addendum thereto. However, in terms of provisions of the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report is being sent to the members of the Company excluding the aforesaid information. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

CORPORATE GOVERNANCE

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

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

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

The Company has a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as contained under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013". The Internal Complaint Committee has been set up to redress the Complaints received regarding sexual harassment.

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

BUSINESS RESPONSIBILITY REPORT

The Board of Directors presents the Business Responsibility Report (BR) of the Company for the financial year ended on 31st March, 2018, pursuant to Regulation 34 (2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L40200WB1968PLC224116			
2.	Name of the Company	Somany Ceramics Limited			
3.	Registered address	2, Red Cross Place, Kolkata - 700 001			
4.	Website	www.somanyceramics.com			
5.	E-mail id	sclinvestors@somanytiles.co.in			
6.	Financial Year reported	1st April, 2017 to 31st March, 2018			
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Code as per NIC – 23929 - Ceramic/Vitrified Wall & Floor Tiles, Sanitaryware and Bath Fittings.			
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Ceramic/Vitrified Wall & Floor Tiles, Sanitaryware & Bath Fittings.			
9.	Total number of locations where business activity is undertaken by the Company	A	Number of International Locations		Nil
		B	Number of National Locations		
		i	Tile manufacturing locations		
			Own		2
			Subsidiaries/Associates/JVs		12
		ii	Sales Depot		7
		iii	Display Centers		18
		iv	Registered Office		1
		v	Corporate Office		1
10.	Markets served by the Company	Local	State	National	International
		✓	✓	✓	✓

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	₹ 847.59 Lakhs
2.	Total Turnover	₹ 170068.86 Lakhs
3.	Total profit after taxes	₹ 6509.98 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent ₹ 192.75 Lakhs (2% of the average net profit after taxes in the previous three financial year) towards CSR activities during the year. Also spent an amount of ₹ 7.12 Lakhs, carried forward from previous year.
5.	List of activities in which expenditure in 4 above has been incurred:-	• Youth Empowerment through Skill Development • Healthcare and Sanitation Programmes • Vocational Training • Women Empowerment • Promotion of Sports • Promoting Education • Support to Charities/ NGOs

SECTION C: OTHER DETAILS

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

SECTION D: OTHER DETAILS

1. **Details of Director/Directors responsible for BR**

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

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

   b) **Details of the BR Head**

No.	Particulars	:	Details
1.	DIN (if Applicable)	:	NA
2.	Name	:	Saikat Mukhopadhyay
3.	Designation	:	Chief Financial Officer
4.	Telephone number	:	0120-4627900
5.	E-mail id	:	saikat@somanytiles.co.in

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

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

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

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Company has adopted various national and international standards viz: 1. ISO 9001: 2008 for Quality Management System 2. ISO 14001: 2004 for Environment Management System 3. BS OHSAS 18001: 2007 Occupational Health and Safety Management System. 4. ISO 22000: 2005 for Food Safety Management System 5. 5 'S' Practices: for Work Place Management System								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	http://www.somanyceramics.com/policies/								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been posted on the Company's website for information of all stakeholders.								
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

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

3. **Governance related to BR**

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

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

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

No.

SECTION E: PRINCIPLE- WISE PERFORMANCE

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

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

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

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

During the year 14 complaints were received from the investors. All these investor's complaints were properly attended and necessary actions were taken. In addition, the company received customer complaints which were addressed suitably from time to time.

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

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
   a) Anti-Slip Floor Tiles with Slip Resistant Coating
   b) Process Waste Recycle
   c) Training of masons on tile laying (Known as Tile Master Programme)

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Energy efficient process:

(a) (1) Installation of Solar Plant at manufacturing plant of the Company at Kassar, which generated about 8.23 Lakhs units during this period. (2) Conversion of high RPM motors with Low RPM motors and (3) Installation of LED lights (4) Installation of Automatic Power Factor correction control panels.

(b) Installation of Inverters in BK combustion Fan Air Supply for reduction in power consumption.

(c) Exercised the option of rebate in power consumption during night shift & reduced our power cost.

(d) **STP (Sewage Treatment Plant):**
Treatment of domestic effluent waste water (Canteen, washrooms, toilets etc.), after treatment of effluent and approx. 60 KL water per day is re-used in process and solid waste is used as manure in gardening.

(e) **ETP (Effluent Treatment Plant):**
The Industrial effluent (cutting, polishing machines and washing water) was treated. The water is used in process. The effluent (sludge) was used as raw material in body preparation.

(f) **Fired Pitcher grinding ball mill :**
Fired pitcher grinding ball mill is used to grind the fired pitcher generated from tiles production in the plant. The dry powder is used as raw material in process.

Further, the data regarding reduction during usage by consumers (energy, water) is not available with the company.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

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

The Sourcing practices of the Company are devised to achieve environmentally sustainable buying processes focusing on cost reduction in procuring raw material and logistics contracts. Our Company's criteria for vendor selection is based on vendor's market reputation, compliance to the best quality standards and practices of its social responsibilities.

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

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

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

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

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

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

i. Please indicate the Total number of employees.

   The total number of permanent employees are 2355 as on 31st March, 2018.

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

   Total temporary/contractual/casual employees are 1017 as on 31st March, 2018.

iii. Please indicate the Number of permanent women employees.

   There were 60 Permanent women employees as on 31st March, 2018.

iv. Please indicate the Number of permanent employees with disabilities.

   There were 2 permanent employees with disabilities as on 31st March, 2018.

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

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

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

   N.A

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

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

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

I	Permanent Employees	59.12%
II	Permanent Women Employees	55%
III	Causal/Temporary/Contractual Employees	66.64%
IV	Employees with Disabilities	NA

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

1. Has the company mapped its internal and external stakeholders? Yes/No

   Yes.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

   Yes.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

   Our CSR approach focuses on the development of communities around the vicinity of our plants. We have also developed innovative programmes that leverage our capabilities as a tile manufacturer.

   Our "Tile Master" initiative has cumulatively trained more than 8,000 mason workers on tile laying techniques and improved their productivity and livelihood.

Principle 5 - Business should respect and promote human rights.

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

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

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

   The Company has not received any complaint from any stakeholder except the investor complaints during the period under review.

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

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

   The Policy on environment covers the Company only.

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

   Yes. The Company has Environmental Policy which guides the organization to continually mitigate the impact on climate change and global warming as a result of our operations. The company works continuously to reduce the waste and is focused on creating green infrastructure which are designed for better energy efficiency and efficient operations.

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

   Yes.

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

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

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

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

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

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

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

   None.

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

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

   Yes, the Company is member of following trade associations which

make efforts towards sustainable business development -

(a) Indian Council of Ceramic Tiles and Sanitary ware (ICCTAS)

(b) Confederation of Indian Industry (CII)

(c) PHD Chamber of Commerce

(d) MCC Chamber of Commerce and Industry

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

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

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

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

   The Company has taken a holistic approach towards the development of the deprived groups of the society. The Company work in the areas of education, vocational skills training and empowerment of women, development of children and health care and sanitation. To oversee implementation of various initiatives, Company has formed a Board Level Committee called Corporate Social Responsibility (CSR) Committee.

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

   The projects are undertaken by in-house team, CSR Foundation of the Company and in co-ordination with external agencies like NGOs and trusts.

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

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

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

   The company has spent an amount of ₹ 199.87 Lakhs in various CSR activities during the year 2017-18 which includes ₹ 7.12 Lakhs being the amount required to be spent by the Company in terms of CSR Regulations in the financial year 2016-17. The details of the amount incurred on areas covered are given in Annexure to the report on Corporate Social Responsibility forming part of this Report.

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

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

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

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

   The Company has an effective system for addressing customer complaints. The customer cases filed against the Company for defects in tiles or relating to sales are not significant in number compared with annual sales volume.

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

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

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

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

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

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

OTHER DISCLOSURES

I. There were no significant material orders passed by the Regulators / Courts during the financial year 2017-18 which would impact the going concern status of the Company and its future operations.

II. The Registered Office of the Company has been shifted from National Capital Territory (NCT) of Delhi to the State of West Bengal, with effect from 1st January, 2018.

III. 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.

IV. A draft scheme of amalgamation providing for the amalgamation of Bhilwara Holdings Limited ("BHL"), Sarvottam Vanijya Limited ("SVL") and Scope Vinimoy Private Limited ("SVPL") with Somany Ceramics Limited ("SCL") was approved by the Board of Directors at their meeting held on 5th March, 2018 and is in process of filing with NCLT for necessary approvals.

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

Place: New Delhi
Dated: 24th May, 2018

SHREEKANT SOMANY
Chairman and Managing Director

ANNEXURE - 1

Statement pursuant to Section 134 of the Companies Act, 2013

Form AOC-1

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

Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/ Joint ventures

Part- A: Subsidiaries

(₹ in Lakhs)

Name of the Subsidiary companies	SR Continental Ltd.	Somany Global Ltd.	Somany Excel Vitrified Pvt. Ltd.	Amora Tiles Pvt. Ltd.	Somany Fine Vitrified Pvt. Ltd.	Somany Sanitary Ware Pvt. Ltd.	Sudha Somany Ceramics Pvt. Ltd. (formerly known as Sudha ceramics Pvt. Ltd.)	Amora Ceramics Pvt. Ltd.
Reporting period	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18
Date since when subsidiary was acquired	25th June, 1979	26th December, 2006	30th October, 2015	29th November, 2013	30th May, 2015	1st June, 2015	20th September, 2017	30th March, 2018
Share Capital	18.50	50.00	151.00	1040.00	1731.00	990.00	708.18	418.36
Reserves & surplus / (Accumulated Losses)	127.15	31.95	-17.26	1011.49	665.89	74.08	-21.43	66.38
Total assets	152.29	82.42	137.21	3992.92	7265.01	5046.85	937.46	2237.21
Total liabilities (Excluding Share Capital & Reserves)	6.64	0.47	3.47	1941.43	4,868.12	3982.77	250.71	1752.47
Investments	22.40	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Turnover including other income	20.99	7.27	NIL	10001.74	9643.34	3510.97	NIL	0.23
Profit / (Loss) before taxation	-8.62	5.92	-0.50	426.96	223.71	-46.74	-6.85	-13.62
Provisions for taxation	-1.88	0.33	NIL	139.39	37.35	-15.22	NIL	NIL
Profit / (Loss) after taxation	-6.74	5.59	-0.50	287.56	186.36	-31.52	-6.85	-13.62
Proposed Dividend	.....	.....	.....	.....	.....	.....	.....	.....
% of shareholding	100%	100%	100%	51%	51%	51%	51%	51%

Part B: Associates and Joint Ventures

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

Name of the associates/ joint ventures	Acer Granito Pvt. Ltd.	Commander Vitrified Pvt. Ltd.	Vicon Ceramic Pvt. Ltd.	Vintage Tiles Pvt. Ltd.
Latest audited balance sheet date	31st March, 2018	31st March, 2018	31st March, 2018	31st March, 2018
Date on which the Associate or Joint Ventures was associated or acquired	08th March, 2014	06th November, 2012	26th November, 2013	13th January, 2012
Shares of associate/ joint ventures held by the Company at the year end	14,60,000	32,50,000	18,85,000	45,00,000
Amount of investment in associates/ joint venture (₹ in Lakhs)	511.00	325.00	188.50	1,399.50
Extend of Holding %	26.00%	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)
Reason why the associates/ joint venture is not consolidated	.....	.....	.....	.....
Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ in Lakhs)	571.77	623.27	150.19	810.07
Profit/ Loss for the year (₹ in Lakhs)				
a) Considered in Consolidation *	130.98	53.41	-259.31	-267.19
b) Not considered in consolidation	-	-	-	-

Note:

The Company's contribution in SKPL Ceramics Private Limited (formerly known as Somany Keraben Private Limited) a 50:50 Joint Venture Company till 1st June, 2017 is ₹ 89.30 Lakhs towards share capital of Joint Venture Company. This Joint Venture Company is in the process of striking off.

* In view of change in the definition of control as per IND AS 110 "Consolidated Financial Statements", Companies which were considered as associates for Consolidated Financial Statements has now been reclassified as subsidiaries in Consolidated Financial Statements.

Place: New Delhi
Date: 24th May, 2018

Shreekant Somany
Chairman & Managing Director

ANNEXURE - 2

Particulars of Loans, Guarantee or Investments as on 31st March, 2018

(₹ in Lakhs)

Particulars	Amount
Loans Given	988.64
Guarantee Given	-
Investments made*	5,152.74

*For details refer to Note 4, 5 & 13 of Notes to the financial statement.

Note - For Current Investments refer Note 9 to the Financial Statement.

Loans, Guarantee or Investments made as on 31st March, 2018

Name of Entity	Relation	Amount (in Lakhs)		Purpose for which the loans, guarantee and investments are proposed to be utilised
Sudha Somany Ceramics Pvt. Ltd.	Subsidiary Company	102.00	Loan	Business Purpose
Amora Ceramics Pvt. Ltd.	Subsidiary Company	286.64	Loan	Business Purpose
Zealous Financial Services Pvt. Ltd.	-	500.00	Loan	Business Purpose
Tinna Rubber & Infrastructure Ltd.	-	100.00	Loan	Business Purpose
SR Continental Limited	Subsidiary Company	18.50	Investment	Business Purpose
Somany Global Ltd.	Subsidiary Company	50.00	Investment	Business Purpose
Amora Tiles Pvt. Ltd.	Subsidiary Company	530.40	Investment	Business Purpose
Somany Fine Vitrified Pvt. Ltd.	Subsidiary Company	765.00	Investment	Business Purpose
Somany Excel Vitrified Pvt. Ltd.	Subsidiary Company	151.00	Investment	Business Purpose
Somany Sanitaryware Pvt. Ltd.	Subsidiary Company	550.01	Investment	Business Purpose
Vintage Tiles Pvt. Ltd.	Associate Company	1,399.50	Investment	Business Purpose
Commander Vitrified Pvt Ltd	Associate Company	325.00	Investment	Business Purpose
Vicon Ceramics Pvt. Ltd.	Associate Company	188.50	Investment	Business Purpose
Sudha Somany Ceramics Pvt. Ltd.	Subsidiary Company	361.17	Investment	Business Purpose
Acer Granito Pvt. Ltd.	Associate Company	511.00	Investment	Business Purpose
Amora Ceramics Pvt. Ltd.	Subsidiary Company	213.36	Investment	Business Purpose
SKPL Ceramics Pvt. Ltd.	Joint venture	89.30	Investment	Business Purpose

Place: New Delhi
Date: 24th May, 2018

Shreekant Somany
Chairman & Managing Director

ANNEXURE - 3

NOMINATION AND REMUNERATION POLICY

1. Introduction:

Somany Ceramics Limited (SCL) has formulated the nomination and remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. Scope and Exclusion:

This Policy sets out the guiding principles for Nomination and Remuneration Committee of the Company for recommending to the Board the remuneration of the directors, key managerial personnel, Senior Management and other employees of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

"Director" means a director appointed to the Board of the Company.

"Key Managerial Personnel" means as per Section 2(51) of the Companies Act, 2013.

"Nomination and Remuneration Committee" (NRC) means the committee constituted by SCL in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

"Senior Management" shall mean the following personnel constituting the core management team for the Company: (a) Chief Operating Officer / Chief Executive Officer / Chief Financial Officer (b) The President/Vice President in each division, Human Resource Officer, the Head Accounts and Head Commercial & Indirect Taxation.

4. Policy:

4.1 Nomination/appointment of Directors, Key Managerial Personnel and Senior Management and other employees of the Company:

Nomination and appointment of Directors, Key Managerial Personnel and Senior Management and other employees of the Company shall be based upon appropriate qualifications, experience and attributes.

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

Appointment of Independent Directors is also subject to compliance of provisions of the Companies Act, 2013 and Listing Regulations.

4.2 Remuneration to Directors and Key Managerial Personnel:

The Board, on the recommendation of the NRC shall review and approve the remuneration payable to the Directors of the Company within the overall limits approved by the shareholders as per the provisions of the Companies Act, 2013 and Listing Regulations.

4.3 Remuneration to Executive Directors and Key Managerial Personnel of the Company:

The remuneration structure to the Executive Directors and Key Managerial Personnel may include the following components: (i) Basic Pay (ii) Perquisites and Allowances (iii) Stock Options(iv)

Commission (Applicable in case of Executive Directors) (v) Retiral benefits (vi) Annual Performance Bonus and such other benefits as may approved/decided from time to time.

The Board, on the recommendation of the NRC, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company in accordance with the provision of the Companies Act, 2013 and Listing Regulations.

4.4 Remuneration to Non-Executive Directors:

The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Non-Executive Directors of the Company subject to compliance of provisions of the Companies Act, 2013 and Listing Regulations.

Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non-Executive Directors may also be entitled to profit related commission in addition to the sitting fees.

4.5 Remuneration to Senior Management and other employees of the Company:

Remuneration to Senior Management and other employees shall be according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organisation. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

5. Policy on Board diversity:

The Board of Directors shall comprise of Directors having expertise in different areas / fields like Finance, Sales and Marketing, Banking, Engineering, etc. or as may be considered appropriate. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge etc. The Board shall have atleast one Board member who has accounting or related financial management expertise and atleast one woman director.

Place: New Delhi
Date: 24th May, 2018

Shreekant Somany
Chairman & Managing Director

ANNEXURE - 4

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended on 31st March, 2018

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

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

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

Based on our verification of Somany Ceramics Limited`s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and 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, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

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

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

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

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

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

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

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the reporting period under audit)

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the reporting period under audit)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the reporting period under audit)

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the reporting period under audit)&

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the reporting period under audit)

(vi) As confirmed and certified by the management, there is no sectoral law specifically applicable to the Company based on their Sector/ Business.

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

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

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

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

We further report that, during the year under review:

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

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

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

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

We further report that during the audit period:

(a) the Company has shifted Registered Office of the Company from NCT of Delhi to the State of West Bengal, pursuant to Section 13 of the Companies Act, 2013 read with Rule 30 of the Companies (Incorporation) Rules, 2014, amended as on date.

(b) the Board of Directors of the Company has approved the Scheme of Amalgamation of Bhilwara Holdings Limited, Sarvottam Vanijya Limited, Scope Vinimoy Private Limited into Somany Ceramics Limited which is subject to approval of shareholders, creditors, Hon'ble bench of National Company Law Tribunal and other regulators.

For Pinchaa & Co.
Company Secretaries
Firm's U.C.N. - P2016RJ051800

Pradeep Pincha
Partner
M. No. FCS 5369
C. P. No.:4426

Dated: 7th May, 2018
Place: Jaipur

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

"Annexure-A"

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

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

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

For Pinchaa & Co.
Company Secretaries
Firm's U.C.N. - P2016RJ051800

Pradeep Pincha
Partner
M. No. FCS 5369
C. P. No.:4426

Dated: 7th May, 2018
Place: Jaipur

ANNEXURE - 5

Form No. MGT-9
Extract of Annual Return
as on the financial year ended on 31st March, 2018

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

Sl. No.	Particulars	Attachment
I	REGISTRATION AND OTHER DETAILS	
i.	CIN	L40200WB1968PLC224116
ii.	Registration Date	20th 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	2, Red Cross Place, Kolkata - 700 001, West Bengal. Tel: +91 33 22487406/5913 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. 23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001 Phone No. 033-2243 5809/ 2248 2248 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 ACTIVITES 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	23929	90%

* 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	82/19, Bhakerwara Road, Mundka, New Delhi-110041	U55101DL1979PLC317439	Subsidiary	100%	2(87)(ii)
2	Somany Global Limited	82/19, Bhakerwara Road, Mundka, New Delhi-110041	U51909DL2006PLC156990	Subsidiary	100%	2(87)(ii)
3	Somany Excel Vitrified Private Limited	2A, C-119, Lalkothi Scheme, Janpath, Jaipur - 302015–	U26955RJ2015PTC048537	Subsidiary	100%	2(87)(ii)
4	Amora Tiles Private Limited	SR No. 167/1 P1, Sartanpar Road, Tal. Wankaner, Sartanpar, Rajkot-363622, Gujarat	U26933GJ2013PTC075379	Subsidiary	51%	2(87)(ii)
5	Somany Sanitary Ware Private Limited	S.No. 136 P1 & 138/3, Village Vaghasiya, Tal. Wankaner, Vaghasiya,Rajkot-363622, Gujarat	U26915GJ2012PTC070115	Subsidiary	51%	2(87)(ii)
6	Somany Fine Vitrified Private Limited	8 - A National Highway, Sartanpar, Matel Road, Taluka : Wankaner, Rajkot- 363621, Gujarat.	U26933GJ2011PTC063535	Subsidiary	51%	2(87)(ii)
7	Sudha Somany Ceramics Private Limited (formerly known as Sudha Ceramics Private Limited)	D NO. 19-1-422/A, G Ragampeta Peddapuram East Godavari Andhra Pradesh 533437	U26960AP2015PTC097828	Subsidiary	51%	2(87)(ii)
8	Amora Ceramics Private Limited	Survey No. 147/1p2, Nr. Amora Tiles, Sartanpar Road, Tal. Wankaner, Dist. Morbi, Sartanpar Rajkot Gujarat 363622	U26100GJ2017PTC099608	Subsidiary	51%	2(87)(ii)
9	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)
10	Commander Vitrified Private Limited	S.No. 70, B/H Landgrace Ceramic, Tal. Wankaner, Sartanpur-363622, Gujarat	U26933GJ2011PTC065693	Associate	26%	2(6)

Sl. No.	Name of Company	Address of Company	CIN/GLN	Holding /Subsidiary /Associate	% of Shares held	Applicable section
11	Vicon Ceramic Private Limited	S.No. 154/P2, B/H Vivanta Ceramic, Tal. Morbi, Bela Rangpar, Rajkot-363642, Gujarat	U26933GJ2013PTC075377	Associate	26%	2(6)
12	Vintage Tiles Private Limited	Survey No. 56, Nazar Baug Road, Behind Science College, Morbi-363642, Gujarat	U26933GJ2010PTC062196	Associate	50%	2(6)
13*	SKPL Ceremics Private Limited (Formerly known as Somany Keraben Private Limited)	6, Jain Bhawan, 12 Bhagat Singh Marg, New Delhi - 110001	U93094DL2007PTC159142	Joint Venture	50.00%	2(6)

* Under Process of Striking Off.

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, i.e. 01.04.2017				No. of Shares held at the end of the year, i.e. 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	31,25,465	–	31,25,465	7.37	27,52,160	–	27,52,160	6.49	(0.88)
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt. (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	1,87,13,895	–	1,87,13,895	44.16	1,90,87,200	–	1,90,87,200	45.04	0.88
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	**2,18,39,360**	**–**	**2,18,39,360**	**51.53**	**2,18,39,360**	**–**	**2,18,39,360**	**51.53**	**0.00**
(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)	**2,18,39,360**	**–**	**2,18,39,360**	**51.53**	**2,18,39,360**	**–**	**2,18,39,360**	**51.53**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	38,15,922	–	38,15,922	9.00	87,99,416	–	87,99,416	20.76	11.76
b) Banks/FI	5,886	10,030	15,916	0.04	5,248	8,030	13,278	0.03	(0.01)
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held at the beginning of the year, i.e. 01.04.2017				No. of Shares held at the end of the year, i.e. 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	46,544	–	–	0.11	–	–	–	0.00	(0.11)
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)									
Alternate Investment Funds	5,05,945	–	5,05,945	1.19	2,70,992	–	2,70,992	0.64	(0.55)
Foreign Portfolio Investors	26,51,799	–	26,51,799	6.26	17,70,096	–	17,70,096	4.18	(2.08)
Provident Funds / Pension Funds	–	–	–	–	–	–	–	–	–
Qualified Foreign Investor	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	**70,26,096**	**10,030**	**70,36,126**	**16.60**	**1,08,45,752**	**8,030**	**1,08,53,782**	**25.61**	**9.01**
2. Non-institutions									
Bodies Corporate									
Indian	15,46,905	36,760	15,83,665	3.74	23,95,342	32,260	24,27,602	5.73	1.99
Overseas	55,32,499	–	55,32,499	13.05	10,70,108	–	10,70,108	2.53	(10.53)
Individuals									
Individual shareholders holding nominal share capital upto ₹ 1 lakh	31,18,662	5,87,890	37,06,552	8.75	30,76,128	3,88,145	34,64,273	8.17	(0.57)
Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	25,15,790	–	25,15,790	5.94	24,49,741	–	24,49,741	5.78	(0.16)
Others (Specify)									
Non-Resident Indians	84,890	–	84,890	0.20	1,00,106	–	1,00,106	0.24	0.04
Qualified Foreign Investor	–	–	–	–	–	–	–	–	–
Custodian of Enemy Property	–	–	–	–	–	–	–	–	–
Foreign Nationals	–	–	–	–	–	–	–	–	–
Clearing Members	6,672	–	6,672	0.02	46,864	–	46,864	0.11	0.09
Trusts	66,851	–	66,851	0.16	21,351	–	21,351	0.05	(0.11)
Foreign Bodies-D R									
Foreign Portfolio Investors	5,250	–	5,250	0.0,124	–	–	–	0.00	(0.01)
NBFCs registered with RBI	1,771	–	1,771	0.00	150	–	150	0.00	(0.004)
Employee Trusts	–	–	–	–	–	–	–	–	–
Domestic Corporate Unclaimed Shares Account	–	–	–	–	–	–	–	–	–
Investor Education and Protection Fund Authority	–	–	–	–	1,06,089	–	1,06,089	0.25	0.25
Sub-total(B)(2):-	**1,28,79,290**	**6,24,650**	**1,35,03,940**	**31.86**	**92,65,879**	**4,20,405**	**96,86,284**	**22.86**	**(9.01)**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**1,99,05,386**	**6,34,680**	**2,05,40,066**	**48.47**	**2,01,11,631**	**4,28,435**	**2,05,40,066**	**48.47**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	**4,17,44,746**	**6,34,680**	**4,23,79,426**	**100.00**	**4,19,50,991**	**4,28,435**	**4,23,79,426**	**100.00**	**0.00**

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. 01.04.2017			No. of Shares held at the end of the year i.e. 31.03.2018			% 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	3,13,855	0.74	–	–	–	–	-0.74
2	Mr. Shrivatsa Somany	16,94,675	4.00	–	13,21,370	3.12	–	-0.88
3	Mr. Shreekant Somany	1,15,885	0.27	–	4,29,740	1.01	–	0.74
4	Mr. Abhishek Somany	85,500	0.20	–	85,500	0.20	–	–
5	Mrs. Anjana Somany	94,150	0.22	–	94,150	0.22	–	–
6	Mrs. Minal Somany	6,25,900	1.48	–	6,25,900	1.48	–	–
7	Mrs. Anushree Chopra	1,50,000	0.35	–	1,50,000	0.35	–	–
8	Mr. Shreekant Somany (HUF)	45,500	0.11	–	45,500	0.11	–	–
9	M/s Bhilwara Holdings Ltd.	90,09,840	21.26	–	92,02,200	21.71	–	0.45
10	M/s Sarvottam Vanijya Ltd.	62,12,980	14.66	–	63,32,500	14.94	–	0.28
11	M/s Scope Vinimoy Pvt. Ltd.	34,91,075	8.24	–	35,52,500	8.38	–	0.14
	Total	**2,18,39,360**	**51.53**	**–**	**2,18,39,360**	**51.53**	**–**	**–**

ATTACHMENT- E

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

iii) Changes in Promoters' Shareholding

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2017		Cumulative Shareholding during the year and at the close of the year on 31.03.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	BHILWARA HOLDINGS LIMITED				
	Beginning of the year	90,09,840	21.26		
	04-08-2017 - Purchase	1,37,000	0.32	91,46,840	21.58
	30-09-2017 – Purchase	46,660	0.11	91,93,500	21.69
	26-01-2018 - Purchase	8,700	0.02	92,02,200	21.71
	End of the year			92,02,200	21.71
2	SARVOTTAM VANIJYA LIMITED				
	Beginning of the year	62,12,980	14.66		
	04-08-2017 - Purchase	75,000	0.18	62,87,980	14.84
	30-09-2017 - Purchase	31,720	0.07	63,19,700	14.91
	26-01-2018 - Purchase	12,800	0.03	63,32,500	14.94
	End of the year			63,32,500	14.94

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2017		Cumulative Shareholding during the year and at the close of the year on 31.03.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	MINAL SOMANY				
	Beginning of the year	6,25,900	1.48		
	End of the year			6,25,900	1.48
4	SHREEKANT SOMANY (HUF)				
	Beginning of the year	45,500	0.11		
	End of the year			45,500	0.11
5	SCOPE VINIMOY PRIVATE LIMITED				
	Beginning of the year	34,91,075	8.24		
	04-08-2017 - Purchase	51,000	0.12	35,42,075	8.36
	30-09-2017 - Purchase	10,425	0.02	35,52,500	8.38
	End of the year			35,52,500	8.38
6	SHREEKANT SOMANY				
	Beginning of the year	1,15,885	0.27		
	15-09-2017 - Transfer /transmission	3,13,855	0.74	4,29,740	1.01
	End of the year			4,29,740	1.01
7	HIRA LALL SOMANY				
	Beginning of the year	3,13,855	0.74		
	15-09-2017 - Transfer /transmission	3,13,855	0.74	0	0
	End of the year			0	0
8	ABHISHEK SOMANY				
	Beginning of the year	85,500	0.20		
	End of the year			85,500	0.20
9	ANUSHREE CHOPRA				
	Beginning of the year	1,50,000	0.35		
	End of the year			1,50,000	0.35
10	ANJANA SOMANY				
	Beginning of the year	94,150	0.22		
	End of the year			94,150	0.22

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2017		Cumulative Shareholding during the year and at the close of the year on 31.03.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
11	SHRIVATSA SOMANY				
	Beginning of the year	16,94,675	4.00		
	28-07-2017 - Sale	2,63,000	0.62	14,31,675	3.38
	22-09-2017 - Sale	88,805	0.21	1342870	3.17
	19-01-2018 - Sale	21,500	0.05	13,21,370	3.12
	End of the year			13,21,370	3.12

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 the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2017		Cumulative Shareholding during the year and at the close of the year on 31.03.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	DSP BLACKROCK 3 YEARS CLOSE ENDED EQUITY FUND				
	Beginning of the year	25,96,383	6.13		
	19-05-2017 – Sale	8,639	0.02	25,87,744	6.11
	23-06-2017 - Purchase	26	0.00	25,87,770	6.11
	08-09-2017 - Purchase	894	0.00	25,88,664	6.11
	27-10-2017 - Sale	31,344	0.07	25,57,320	6.03
	12-01-2018 - Sale	33,057	0.08	25,24,263	5.96
	19-01-2018 - Sale	799	0.00	25,23,464	5.95
	02-02-2018 - Sale	28,257	0.07	24,95,207	5.89
	09-02-2018 - Sale	49,500	0.12	24,45,707	5.77
	16-02-2018 - Sale	15,817	0.04	24,29,890	5.73
	23-02-2018 - Sale	17,524	0.04	24,12,366	5.69
	02-03-2018 - Sale	26,952	0.06	23,85,414	5.63
	End of the year			23,85,414	5.63
2	FRANKLIN INDIA SMALLER COMPANIES FUND *				
	Beginning of the year	50,000	0.12		
	14-04-2017 - Purchase	16,25,000	3.83	16,75,000	3.95

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2017		Cumulative Shareholding during the year and at the close of the year on 31.03.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	21-04-2017 - Purchase	5,37,986	1.27	22,12,986	5.22
	12-05-2017 - Sale	629	0.00	22,12,357	5.22
	02-06-2017 - Purchase	28	0.00	22,12,385	5.22
	09-06-2017 - Purchase	601	0.00	22,12,986	5.22
	30-09-2017 – Sale	29,655	0.07	21,83,331	5.15
	06-10-2017 - Sale	22,853	0.05	21,60,478	5.10
	13-10-2017 – Sale	1,72,492	0.41	19,87,986	4.69
	10-11-2017 - Sale	50,000	0.12	19,37,986	4.57
	05-01-2018 – Sale	28,000	0.07	19,09,986	4.51
	12-01-2018 - Sale	29,000	0.07	18,80,986	4.44
	09-02-2018 - Purchase	27,000	0.06	19,07,986	4.50
	02-03-2018 - Purchase	1,05,000	0.25	20,12,986	4.75
	End of the year			20,12,986	4.75
3	L AND T MUTUAL FUND TRUSTEE LTD-L AND T INDIA PRUDENCE FUND *				
	Beginning of the year	2,73,262	0.64		
	14-04-2017 – Purchase	8,00,000	1.89	10,73,262	2.53
	21-04-2017 - Purchase	1,605	0.00	10,74,867	2.54
	19-05-2017 - Purchase	15,000	0.04	10,89,867	2.57
	26-05-2017 - Purchase	4,311	0.01	10,94,178	2.58
	09-06-2017 - Purchase	2,500	0.01	10,96,678	2.59
	16-06-2017 - Purchase	15,000	0.04	11,11,678	2.62
	23-06-2017 - Purchase	63,503	0.15	11,75,181	2.77
	30-06-2017 - Purchase	6,359	0.02	11,81,540	2.79
	07-07-2017 - Purchase	2,12,500	0.50	13,94,040	3.29
	14-07-2017 - Purchase	10,885	0.03	14,04,925	3.32
	21-07-2017 - Purchase	28,000	0.07	14,32,925	3.38
	11-08-2017 - Purchase	705	0.00	14,33,630	3.38
	18-08-2017 - Purchase	16,009	0.04	14,49,639	3.42
	25-08-2017 - Purchase	49,795	0.12	14,99,434	3.54
	20-10-2017 - Purchase	65,092	0.15	15,64,526	3.69
	27-10-2017 - Purchase	2,303	0.01	15,66,829	3.70
	01-12-2017 - Purchase	1,15,491	0.27	16,82,320	3.97

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2017		Cumulative Shareholding during the year and at the close of the year on 31.03.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	02-02-2018 - Purchase	10,000	0.02	16,92,320	3.99
	09-02-2018 - Purchase	94,800	0.22	17,87,120	4.22
	23-02-2018 - Purchase	4,000	0.01	17,91,120	4.23
	02-03-2018 - Purchase	4,000	0.01	17,95,120	4.24
	09-03-2018 - Purchase	16,375	0.04	18,11,495	4.27
	16-03-2018 - Purchase	8,681	0.02	18,20,176	4.30
	End of the year			18,20,176	4.30
4	HIND STRATEGIC INVESTMENTS				
	Beginning of the year	11,84,673	2.80		
	12-05-2017 - Sale	10,069	0.02	11,74,604	2.77
	19-05-2017 - Sale	3,600	0.01	11,71,004	2.76
	07-07-2017 - Sale	1,315	0.00	11,69,689	2.76
	28-07-2017 - Sale	13,495	0.03	11,56,194	2.73
	04-08-2017 - Sale	74,848	0.18	10,81,346	2.55
	25-08-2017 - Sale	11,238	0.03	10,70,108	2.53
	End of the year			10,70,108	2.53
5	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE BALANCED *				
	Beginning of the year	92,723	0.22		
	01-12-2017 - Purchase	8,55,000	2.02	9,47,723	2.24
	16-03-2018 - Purchase	60,300	0.14	10,08,023	2.38
	23-03-2018 - Purchase	39,415	0.09	10,47,438	2.47
	30-03-2018 - Purchase	15,808	0.04	10,63,246	2.51
	End of the year			10,63,246	2.51
6	KOTAK MAHINDRA LIFE INSURANCE COMPANY LTD.				
	Beginning of the year	4,42,681	1.04		
	14-04-2017 - Purchase	5,00,000	1.18	9,42,681	2.22
	05-05-2017 - Sale	987	0.00	9,41,694	2.22
	19-05-2017 - Sale	2,044	0.00	9,39,650	2.22
	26-05-2017 - Sale	827	0.00	9,38,823	2.22
	16-06-2017 - Sale	971	0.00	9,37,852	2.21

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2017		Cumulative Shareholding during the year and at the close of the year on 31.03.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	23-06-2017 - Sale	53,880	0.13	8,83,972	2.09
	30-06-2017 – Sale	9,532	0.02	8,74,440	2.06
	07-07-2017 - Sale	41,438	0.10	8,33,002	1.97
	11-08-2017 - Purchase	13,489	0.03	8,46,491	2.00
	18-08-2017 - Purchase	9,670	0.02	8,56,161	2.02
	25-08-2017 - Purchase	21,654	0.05	8,77,815	2.07
	01-09-2017 - Purchase	70,000	0.17	9,47,815	2.24
	13-10-2017 - Purchase	1,16,665	0.28	10,64,480	2.51
	20-10-2017 - Purchase	96,687	0.23	11,61,167	2.74
	01-12-2017 - Purchase	1,12,268	0.26	12,73,435	3.00
	22-12-2017 –Sale	4,410	0.01	12,69,025	2.99
	12-01-2018 –Sale	5,770	0.01	12,63,255	2.98
	23-03-2018 –Sale	366	0.00	12,62,889	2.98
	30-03-2018 –Sale	16,071	0.04	12,46,818	2.94
	End of the year			12,46,818	2.94
7	TATA TRUSTEE CO. LTD.A/C TATA MUTUAL FUND A/C TATA MID CAP GROWTH FUND				
	Beginning of the year	3,96,424	0.94		
	14-04-2017 - Purchase	2,50,000	0.59	6,46,424	1.53
	16-06-2017 - Purchase	9,000	0.02	6,55,424	1.55
	25-08-2017 - Purchase	5,000	0.01	6,60,424	1.56
	05-01-2018 - Purchase	14,000	0.03	6,74,424	1.59
	12-01-2018 - Sale	2,000	0.00	6,72,424	1.59
	End of the year			6,72,424	1.59
8	KIRTIVARDHAN FINVEST SERVICES LIMITED				
	Beginning of the year	4,33,795	1.02		
	End of the year			4,33,795	1.02
9	WASATCH EMERGING INDIA FUND *				
	Beginning of the year	2,48,991	0.59		
	07-04-2017 - Purchase	9,945	0.02	2,58,936	0.61
	28-04-2017 - Purchase	8,960	0.02	2,67,896	0.63

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2017		Cumulative Shareholding during the year and at the close of the year on 31.03.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	05-05-2017 - Purchase	8,118	0.02	2,76,014	0.65
	12-05-2017 - Purchase	14,776	0.03	2,90,790	0.69
	02-06-2017 - Purchase	13,930	0.03	3,04,720	0.72
	16-06-2017 - Purchase	17,640	0.04	3,22,360	0.76
	28-07-2017 - Purchase	10,420	0.02	3,32,780	0.79
	01-12-2017 - Purchase	34,480	0.08	3,67,260	0.87
	05-01-2018 - Purchase	1,133	0.00	3,68,393	0.87
	12-01-2018 - Purchase	42,501	0.10	4,10,894	0.97
	End of the year			4,10,894	0.97
10	SANJEEV VINODCHANDRA PAREKH				
	Beginning of the year	3,73,676	0.88		
	End of the year			3,73,676	0.88
11	PRANAV KUMARPAL PAREKH #				
	Beginning of the year	2,96,252	0.70		
	End of the year			2,96,252	0.70
12	DSP BLACKROCK EMERGING STARS FUND #				
	Beginning of the year	5,02,607	1.19		
	14-04-2017 - Sale	50,000	0.12	4,52,607	1.07
	07-07-2017 - Sale	50,000	0.12	4,02,607	0.95
	09-03-2018 - Sale	6,557	0.02	3,96,050	0.93
	16-03-2018 - Sale	43,443	0.1	3,52,607	0.83
	30-03-2018 - Sale	1,50,000	0.35	2,02,607	0.48
	End of the year			2,02,607	0.48
13	LATINIA LIMITED #				
	Beginning of the year	43,47,826	10.26		
	14-04-2017 - Sale	37,08,600	8.75	6,39,226	1.51
	21-04-2017 - Sale	5,39,226	1.27	1,00,000	0.24
	12-05-2017 - Sale	1,00,000	0.24	-	-
	End of the year			-	-

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2017		Cumulative Shareholding during the year and at the close of the year on 31.03.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
14	NTASAIN DISCOVERY MASTER FUND #				
	Beginning of the year	16,77,466	3.96		
	14-04-2017 - Sale	2,00,000	0.47	14,77,466	3.49
	12-05-2017 – Sale	8,800	0.02	14,68,666	3.47
	18-08-2017 - Sale	18,678	0.04	14,49,988	3.42
	25-08-2017 - Sale	45,179	0.11	14,04,809	3.31
	01-09-2017 - Sale	80,548	0.19	13,24,261	3.12
	08-09-2017 - Sale	22,366	0.05	13,01,895	3.07
	15-09-2017 - Sale	2,575	0.01	12,99,320	3.07
	13-10-2017 – Sale	76,884	0.18	12,22,436	2.88
	10-11-2017 - Sale	30,000	0.07	11,92,436	2.81
	01-12-2017 – Sale	11,92,436	2.81	-	-
	End of the year			-	-

Note:

Ceased to be in the list of Top 10 shareholders as on 31/03/2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2017.

* Not in the list of Top 10 shareholders as on 01/04/2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2018.

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 of the Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (1st April, 2017 to 31st March, 2018)	
		No of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
A	**Directors**							
1	Mr. Shreekant Somany	1,15,885	0.27	15/09/17	313855	Inter se Transfer By way of Inheritance upon death of Late Mr. Hiralall Somany	4,29,740	1.01
2	Mr. Abhishek Somany	85,500	0.20	–	–	–	85,500	0.20
3	Mrs. Anjana Somany	94,150	0.22	–	–	–	94,150	0.22
4	Mr. G.L. Sultania	1,250	0.00	–	–	–	1,250	0.00
5	Mr. Ratna Kumar Daga	5,000	0.01	–	–	–	5,000	0.01
6	Mr. Salil Singhal	–	–	–	–	–	–	–
7	Mr. Ravinder Nath	–	–	–	–	–	–	–
8	Dr. Y.K. Alagh	–	–	–	–	–	–	–
9	Mr. Siddharath Bindra	2,000	0.00	–	–	–	2,000	0.00
10	Mr. G. G. Trivedi	2,000	0.00				2,000	0.00
B	**Key Managerial Personnel (KMP's)**							
1	Mr. T.R. Maheshwari	–	–	–	–	–	–	–
2	Mr. Saikat Mukhopadhyay	–	–	–	–	–	–	–
3	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	19,289.09	5,471.10	–	24,760.19
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	38.23	–	–	**38.23**
Total (i+ii+iii)	**19,327.32**	**5,471.10**	**–**	**24,798.42**
Change in Indebtedness during the financial year				
• Addition	6,129.76	24,364.84	–	30,494.60
• Reduction	3,376.26	23,011.13	–	26,387.39
Net Change	**2,753.50**	**1,353.71**	**–**	**4,107.21**
Indebtedness at the end of the financial year				
i) Principal Amount	22,041.61	6,824.81	–	28,866.42
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	39.21	–	–	39.21
Total (i+ii+iii)	**22,080.82**	**6,824.81**	**–**	**28,905.63**

ATTACHMENT- I

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager (₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Mr. Shreekant Somany	Mr. Abhishek Somany	Mrs. Anjana Somany	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	300.30	253.50	24.00	577.80
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	13.94	13.74	0.11	27.79
	(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)	146.14	192.33	–	338.47
5	PF Contribution	26.73	27.54	2.88	57.15
	Total (A)	487.11	487.11	26.99	1,001.21
	Ceiling as per the Act	(Being 10% of Net Profits 10,012.04Lakhs of the Company calculated as per Section 198 of the Companies Act 2,013)			

ATTACHMENT- J

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

B. Remuneration to other directors:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. R.K. Daga	Mr. G. L. Sultania	Mr. Salil Singhal	Mr. Ravinder Nath	Dr. Y. K. Alagh	Mr. Siddharath Bindra	Mr. G. G. Trivedi*	
1	Independent Directors								
	a. Fee for attending board / committee Meetings	1,40,000	–	1,10,000	55,000	20,000	1,20,000	–	4,45,000
	b. Commission	5,00,000	–	5,00,000	5,00,000	5,00,000	5,00,000	–	25,00,000
	c. Others, please specify	–	–	–	–	–	–		–
	Total (1)	6,40,000	–	6,10,000	5,55,000	5,20,000	6,20,000	–	29,45,000
2	Other Non-Executive Directors								
	a. Fee for attending board / committee Meetings	–	1,35,000	–	–	–	–	45,000	1,80,000
	b. Commission	–	5,00,000	–	–	–	–	2,90,411	7,90,411
	c. Others, please specify	–	–	–	–	–	–		–
	Total (2)	–	6,35,000	–	–	–	–	3,35,411	9,70,411
	Total (B)=(1+2)	6,40,000	6,35,000	6,10,000	5,55,000	5,20,000	6,20,000	3,35,411	39,15,411
	Total Managerial Remuneration	6,40,000	6,35,000	6,10,000	5,55,000	5,20,000	6,20,000	3,35,411	39,15,411
	Overall Ceiling as per the Act	(Being 1% of Net Profits ₹ 10,012.04 Lakhs of the Company calculated as per Section 198 of the Companies Act, 2013 subject to maximum of ₹ 5 Lakhs as commission to each Non-Executive Director of the Company) as per resolution passed by Members at AGM held on 02.09.2013.							

*Mr. G. G. Trivedi was appointed as an Additional Director w.e.f. 1st September, 2017. The commission paid to him is for the period 1st September, 2017 to 31st March, 2018.

ATTACHMENT- K

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Chief Executive Officer	Chief Financial Officer	Company Secretary	
		Mr. T. R. Maheshwari	**Mr. Saikat Mukhopadhyay**	**Mr. Ambrish Julka**	
1	Gross salary	01.04.2017-31.03.2018	30.01.2018 to 31.03.2018	01.04.2017-31.03.2018	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	106.72	16.99	24.07	147.78
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.10	0.08	0.32	3.50
	(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)	–	–	–	–
	- as % of profit	–	–	–	–
	- others, specify	–	–	–	–
5	PF Contribution	5.83	1.11	1.39	8.33
	Total (A)	115.65	18.18	25.78	159.61

ATTACHMENT- L

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties/punishments/ or any compounding of offences during the financial year 2017-18.

ANNEXURE - 6

REPORT ON CSR ACTIVITIES OF THE COMPANY

FOR THE YEAR ENDED 31ST MARCH, 2018

A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programs

Policy of Somany Ceramics Limited ('SCL') shall be directed towards inclusive development that creates value for society and caters to the needs of the people in the communities, giving preference to the local areas around our business operations. SCL shall continue to relentlessly strive in their endeavor of nation building, sustainable development, accelerated inclusive growth and social equity through its CSR initiatives. The CSR initiatives will be focused to enable the citizen to enjoy the benefits of science led innovations. The targeted beneficiaries of CSR activities undertaken by SCL shall be for marginalized, disadvantaged, poor or deprived sections of the communities.

Company's CSR initiatives focus on Promoting Health Care including preventive health care and Sanitation, Skill Development, Education, Setting up homes for orphans, Sustainable Livelihood, Women Empowerment, Infrastructure Development and various other activities as per CSR Policy of the Company.

The web link to the Contents of the CSR Policy is https://www.somanyceramics.com/policies/

2. Composition of the Committee: Mr. Abhishek Somany (Chairman)
   Mr. Salil Singhal (Member)
   Mr. Ravinder Nath (Member)
   Mr. Siddharath Bindra (Member)
3. Avg. Net Profit of the Company for Last three financial years: ₹ 9637.74 Lakhs
4. CSR Expenditure (2% of the amount as in item 3 above): ₹ 192.75 Lakhs
5. CSR spent during the financial year 2017-18:

a)	Total amount to be spent for the financial year 2017-18;	₹ 192.75 Lakhs
b)	Total unspent amount for financial year 2016-17	₹ 7.12 Lakhs
c)	Total (a+b) amount to be spent for the Financial Year 2017-18	₹ 199.87 Lakhs
d)	Less: Amount spent during the financial year 2017-18	₹ 199.87 Lakhs
e)	Balance unspent	NIL

(f) Manner in which the amount spent during the financial year;

(₹ In Lakhs)

1	2	3	4	5	6		7	8
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local Area or other (2) specify the state & District where projects or programmes was undertaken	Amount outlay (budget) project or programme wise	Amount spent on the projects or program sub-heads: (1) direct expenditure on projects or programmes (2) overheads:		Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency
					Direct (1)	Overheads (2) **		
1	Organ Receiving & Giving Awareness Network (ORGAN)	Promoting Healthcare including preventive healthcare	North India including Delhi NCR	1.71	1.71	–	1.71	Direct
2	Promoting Education	Promoting Education	New Delhi	7.50	7.50	–	7.50	Direct
3	Donation to Delhi Langar Seva Society	Eradicating Hunger	New Delhi	0.50	0.50	–	0.50	Direct
4	Training to Mason	Skill Development	Delhi/Haryana/Uttar Pradesh/ Tamilnadu/ Karnataka & Maharashtra	9.65	9.65	–	9.65	Direct
5	Rooms and wards for Cancer Institute	Promoting health Care including preventing health care	Adyar, Chennai, Tamil Nadu	10.00	10.00	–	10.00	Through H.L. Somany Foundation
6	Eye Camps for eye examination, free spectacles to childrens, Senior Citizen etc., Tailoring classes, entrepreneurial skills and soft skills for underprivileged women's	Promoting health Care including preventing health care, empowering Women	Mumbai	6.00	6.00	–	6.00	Through H.L. Somany Foundation
7	Promoting Education	Promoting Education	New Delhi	120	120	–	120	Through H.L. Somany Foundation
8	Construction/Renovation of rooms for the lesser privileged children of the Society	Setting up homes for orphans	New Delhi	0.82	0.82	–	0.82	Through H.L. Somany Foundation
9	Promoting Health Care including preventing health care and Sanitation	Promoting Health Care including preventing health care and Sanitation	(Jhajjar Haryana), (Mehsana, Gujarat)	41.47	41.47	–	41.47	Through H.L. Somany Foundation
10	Overheads*	Overheads*		2.22	–	2.22	2.22	Through H.L. Somany Foundation
				199.87	197.65	2.22	199.87	

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

We hereby affirm that the implementation and monitoring of CSR policy is in compliance with CSR objectives & policy of the Company.

T. R. Maheshwari
Chief Executive Officer

Abhishek Somany
Managing Director and
Chairman of Company CSR Committee

Place: New Delhi
Date : 24th May, 2018

ANNEXURE - 7

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

CONSERVATION OF ENERGY

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

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

I. Replaced old conventional lights with LED lights and reduced power consumption.

II. Installed variable frequency drives in fans, blowers & pumps of kilns & cooling towers and reduced power consumption.

III. Used Small PLC Timer for the Agitators to operate intermittently instead of continuous

IV. Used low power loss capacitor with APFC to maintain a good power factor feeder wise (at load end) to reduce the voltage drop as well as the distribution losses.

V. Used energy efficient motors IE3/ IE4 in kilns to reduce electrical power consumption.

VI. Conversion of high RPM motors with Low RPM motors to reduce power consumption especially in pumps & agitators

VII. Solar Plant set up at manufacturing plant of the Company at Kassar during the year 2017-18 which generated about 8.23 Lakhs units during this period.

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

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

(c) 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 has introduced new sizes of tiles which will add great value to already existing product portfolio. Cost saving and process optimizations are other areas in which continuous effort is being put in and which has paid rich dividends. Several low cost raw material frits were introduced for cost reduction purposes. Developmental efforts are going on to introduce Antistatic tiles, Solar reflecting tiles and Translucent tiles in this financial year.

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

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

iii. Future R&D plans

The company have always believed in offering newer products to the customer be it in terms of size, design or different type of finishes year on year basis. Developmental efforts are ongoing and going forward also we shall keep introducing new products with innovative design and aesthetics.

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. Digital printing technology introduced in last few years has been resulting into higher definition and clarity of the products besides helping reduce wastages and manpower costs.

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

C. Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings ₹ 5209.45 Lakhs
Foreign Exchange Outgo ₹ 10829.53 Lakhs

For and on behalf of the Board

Place: New Delhi
Dated: 24th May, 2018

Shreekant Somany
Chairman and Managing Director

ANNEXURE - 8

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, 2018.

REMUNERATION PAID TO DIRECTORS

Name of the director	Title	Remuneration in fiscal 2018 (₹ in Lakhs)	Remuneration in fiscal 2017 (₹ in Lakhs)	No. of Stock Option / RSUs granted in fiscal 2018	% increase of remuneration in 2018 as compared to 2017	Excl. WTD	Incl. WTD
						Ratio of remuneration to MRE #	Ratio of remuneration to MRE and WTD #
Mr. Shreekant Somany	Chairman and Managing Director	487.11	648.87	Nil	-24.93%	285.26	284.98
Mr. Abhishek Somany	Managing Director	487.11	630.68	Nil	-22.76%	285.26	284.98
Mrs. Anjana Somany	Whole-Time Director	26.99	23.87	Nil	13.07%	15.80	15.79
Mr. R. K. Daga	Independent Director	6.40	6.15	Nil	4.06%	3.75	3.75
Dr. Y.K. Alagh	Independent Director	5.20	5.85	Nil	-11.11%	3.05	3.04
Mr. Salil Singhal	Independent Director	6.10	5.85	Nil	4.27%	3.57	3.57
Mr. G. L. Sultania	Non- Executive Director	6.35	6.10	Nil	4.10%	3.72	3.72
Mr. Ravinder Nath	Independent Director	5.55	5.85	Nil	-5.13%	3.25	3.25
Mr. G. G. Trivedi*	Non- Executive Director	3.35	0	Nil	–	1.96	1.96
Mr. Siddharath Bindra	Independent Director	6.20	5.70	Nil	8.77%	3.63	3.63

*for the period 1st September, 2017 to 31st March, 2018

Rounded off to two decimal

RSUs: Restricted Stock Units

WTD: Whole Time Director

MRE: Median Remuneration of Employees

REMUNERATION OF KEY MANAGERIAL PERSONNEL (KMPS)

Name of the director	Title	Remuneration in fiscal 2018 (₹ in Lakhs)	Remuneration in fiscal 2017 (₹ in Lakhs)	No. of Stock Option / RSUs granted in fiscal 2018	% increase of remuneration in 2018 as compared to 2017	Excl. WTD	Incl. WTD
						Ratio of remuneration to MRE #	Ratio of remuneration to MRE and WTD #
Mr. T. R. Maheshwari	Chief Executive Officer	115.64	93.21	Nil	24.06%	67.72	67.65
*Mr. Saikat Mukhopadhyay	Chief Financial Officer	18.18	0.00	Nil	–	10.65	10.64
Mr. Ambrish Julka	Company Secretary and Compliance Officer	25.78	21.65	Nil	19.08%	15.10	15.08

* For the period from 30th January, 2018 to 31st March, 2018

Rounded off to two decimal

RSUs: Restricted Stock Units

WTD: Whole Time Director

MRE: Median Remuneration of Employees

The Median Remuneration of Employees (MRE) excluding Whole-time Directors (WTDs) was ₹ 170760 and 1,87,000 in fiscal 2018 and fiscal 2017 respectively. The decrease in MRE (excluding WTDs) in fiscal 2018, as compared to fiscal 2017 is 8.68%.

The Median Remuneration of Employees (MRE) including Whole-time Directors (WTDs) was 170928 and 1,87,287 in fiscal 2018 and fiscal 2017 respectively. The decrease in MRE (including WTDs) in fiscal 2018, as compared to fiscal 2017 is 8.73%.

The number of Permanent employees on the rolls of the Company as of 31st March, 2018 and 31st March, 2017 was 2355 and 2277 respectively.

The aggregate remuneration of employees excluding WTD grew by 12.23% over the previous fiscal. The aggregate decrease in salary for WTDs and other KMPs was 18.15% in fiscal 2018 over fiscal 2017. This was based on the recommendation of the nomination and remuneration committee to revise the remuneration as per industry benchmarks.

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

For and on behalf of the Board

Place: New Delhi
Dated: 24th May, 2018

Shreekant Somany
Chairman and Managing Director

ANNEXURE - 9

COMPLIANCE CERTIFICATE

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To
The Members of
Somany Ceramics Limited

We have examined the compliance of regulations of Corporate Governance by Somany Ceramics Limited ('the company'), for the year ended March 31, 2018 as per the relevant provisions of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015 ('Listing Regulations') as referred to Regulations 15(2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certificate of Corporate Governance, issued by The Institute of Chartered Accountants of India and limited to 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.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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.

For Singhi & Co.
Chartered Accountants
Firm's Reg No. 302049E

B. K. Sipani
Partner
Membership No.088926

Place: New Delhi
Dated: 24th May, 2018

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 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 Company's Board consists of an optimal combination of Executive Directors and Non-Executive Directors with varied professional backgrounds, representing a judicious mix of professionalism, knowledge and experience. The Composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31st March, 2018, the Company's Board comprised of ten (10) directors, of which three (3) are Executive Directors out of which two are Managing Director and one is Whole Time Director (a woman director), five (5) are Independent Directors and two are Non-Executive Non-Independent Directors. None of the Non-Executive Directors of the Company has any pecuniary relationship or transaction with the Company except Shri G. G. Trivedi, Non-Executive Non Independent Director, who is in receipt of Technical Consultancy Fees of ₹ 29,50,000 for a period i.e. from 18th August, 2017 to 31st March, 2018 which has been approved by the Board of Directors and Audit Committee.

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	5	5	Yes	6	–	3	4,75,240*
Mr. Abhishek Somany	P	5	4	Yes	2	–	–	85,500
Mrs. Anjana Somany	P	5	4	No	2	–	–	94,150
Mr. R. K. Daga	I	5	5	Yes	2	1	1	5,000
Mr. G. L. Sultania	N	5	5	No	9	–	1	1,250
Mr. Salil Singhal	I	5	4	No	5	–	1	–
Mr. Ravinder Nath	I	5	3	No	3	1	2	–
Dr. Y. K. Alagh	I	5	1	No	1	–	2	–
Mr. Siddharath Bindra	I	5	4	No	0	–	–	2,000
Mr. Ghanshyambhai Girdharlal Trivedi **	N	3	3	N.A.	0	–	–	2,000

Category: P=Promoter, I=Independent, N= Non-Executive & Non-Independent Director,

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

@ Includes the membership/chairmanship in Audit Committee and Stakeholders Relationship Committee only of other Public Limited Companies.

* Shareholding of Mr. Shreekant Somany includes 45,500 shares held as Karta of Shreekant Somany (HUF).

** Mr. Ghanshyambhai Girdharlal Trivedi was appointed as Non- Executive Additional Director w.e.f 1st September, 2017.

As mandated by Regulation 26 of Listing Regulations, 2015, none of the Directors of the Company are member of more than ten Board Level Committees in Public Companies nor are they Chairman of more than five Board Level Committees in Listed Companies in which they are director.

INTER-SE RELATIONSHIP OF DIRECTORS

Mr. Shreekant Somany, Chairman & Managing Director of the Company is spouse of Mrs. Anjana Somany, Whole time director and father of Mr. Abhishek Somany, Managing Director of the Company.

BOARD FUNCTIONS

Apart from review and consideration of matters referred to under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 behaviour;
- Compliance with all the rules and regulations;
- Informing shareholders of the various developments within the Company.

MEETING OF THE BOARD OF DIRECTORS

There were Five Board meetings held during the year 2017-18 i.e. on 24th May, 17th August, 15th November in 2017 and on 30th January and 5th March in 2018.

3. CODE OF CONDUCT

The Board of Directors has adopted a Code of Conduct for all Board members and senior management personnel of the Company after suitably incorporating duties of Independent Directors as laid down under Schedule IV to the Companies Act, 2013 and the same is being abided by all on annual basis in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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. CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The CEO and CFO of the Company have issued a certificate pursuant to the provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 this Annual Report.

5. COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Composition

As at 31st March, 2018 the Audit Committee comprises of five members, with majority of Independent Directors, as members of the Committee meets its constitution requirements, in terms of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Regulations, 2015) in which Mr. R.K. Daga is the Chairman of the Committee. The other members of the committee are Mr. Salil Singhal, Mr. G. L. Sultania, Dr. Y.K. Alagh and Mr. Siddharath Bindra. All members of the Audit Committee are financially literate. The Audit Committee members are accomplished professionals from the corporate and academic world. The Company Secretary of the Company acts as the Secretary to the Committee. Minutes of each Audit Committee Meeting is placed and discussed in the next meeting of the Board. The terms of reference of the Audit Committee cover the areas as stipulated under Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 are:-

- 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,
- Grant of Omnibus approval for transactions contemplated to be undertaken by the Company with related parties subject to the approval of shareholders of the Company as may be required,
- Review of adequacy and effectiveness of Internal Audit Function and the Internal Control System,
- Overall direction on the risk management system,
- 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 functioning of Vigil Mechanism, 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 committee members on the respective reports. The meeting of the Audit Committee is generally attended by the Chairman & Managing Director, Chief Executive Officer, Chief Financial Officer, Chief Marketing Officer and other departmental heads.

Frequency of Meetings

During the year 2017-18, five Audit Committee meetings were held on 24th May, 17th August, 15th November in 2017 and on 30th January and 5th March in 2018.

The maximum gap between any two meetings was less than 120 days.

The attendance of the Audit Committee Meetings is given below:

Name of Member Director	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. R. K. Daga (Chairman)	5	5
Mr. G. L. Sultania (Member)	5	5
Mr. Salil Singhal (Member)	5	4
Dr. Y. K. Alagh (Member)	5	1
Mr. Siddharath Bindra (Member)	5	4

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 12 times during the year under review. The Board has delegated the power of Share Transfer to the Company's Registrar & Share Transfer Agents, who processes the transfers, in respect of physical and shares under Demat. During the year under review, total of 7180 shares were transferred (including transmission) and dispatched within the stipulated time period specified under the laws, documents for which found valid in all respects. There were no pending transfers as on 31st March, 2018.

STAKEHOLDER'S RELATIONSHIP COMMITTEE

The Company has a Stakeholder's Relationship Committee to oversee redressal of shareholders'/Investors' grievances relating to transfers, transmissions, issue of duplicate share certificate(s) and all other matters concerning shareholders' complaints. Mr. R. K. Daga, Non-Executive Independent Director of the Company is heading the Committee along with Mr. G. L. Sultania, Non-Executive Non-Independent Director and Mr. Shreekant Somany, Chairman and Managing Director. Mr. Ambrish Julka, Deputy General Manager (Legal) and Company Secretary of the Company is the Compliance Officer. Total Four meetings of this Committee were held during the year 2017-18, i.e. on 24th May, 17th August, 15th November in the year 2017 and on 30th January in the year 2018. During the year 14 complaints were received and resolved. There were no complaints of Shareholders pending as on 31st March, 2018.

Name of Member Director	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. R. K. Daga (Chairman)	4	4
Mr. G. L. Sultania (Member)	4	4
Mr. Shreekant Somany (Member)	4	4

NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee comprising 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. G. L. Sultania, Non-executive Non-Independent Director and Mr. Siddharath Bindra, Non-executive Independent Director are other member of the Committee.

During the year 2017-18, Three Committee meetings were held i.e. on 24th May, 17th August in 2017 and on 30th January in 2018.

The attendance of the Nomination & Remuneration Committee Meetings is given below:

Name of Member Director	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. R. K. Daga (Chairman)	3	3
Mr. G. L. Sultania (Member)	3	3
Mr. Siddharath Bindra (Member)	3	2

Terms of Reference

Terms of reference of the Nomination and Remuneration Committee

are as per the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as and when applicable and Section 178 of the Companies Act, 2013, that inter-alia includes:

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

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS AND THE BOARD:

The Independent Directors and the Board are evaluated on the basis of the following criteria's i.e. whether they:

(a) Act objectively and constructively while exercising their duties;

(b) Exercise their responsibilities in a bonafide manner in the interest of the Company;

(c) Devote sufficient time and attention to their professional obligations for informed and balanced decision making;

(d) Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;

(e) Refrain from any action that would lead to loss of his independence;

(f) Inform the Board immediately when they lose their independence;

(g) Assist the Company in implementing the best corporate governance practices;

(h) Strive to attend all meetings of the Board of Directors and the Committees;

(i) Participate constructively and actively in the committees of the Board in which they are chairperson 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 is also evaluated on the basis of Targets/ Criteria met by them, as given by the Board from time to time.

Details of the Remuneration paid to Directors during the year 2017-18 are as follows:

Directors	Salary & perquisites (₹) **	Commission for 2016-17 (₹)	Sitting Fees (₹)	Total (₹)
Mr. Shreekant Somany*	340,97,040	3,86,03,252	–	7,27,00,292
Mr. Abhishek Somany*	294,77,951	3,86,03,252	–	6,80,81,203
Mrs. Anjana Somany*	26,98,820	68,493#	–	27,67,313
Mr. R. K. Daga	–	5,00,000	1,40,000	6,40,000
Mr. G. L. Sultania	–	5,00,000	1,35,000	6,35,000
Mr. Salil Singhal	–	5,00,000	1,10,000	6,10,000
Mr. Ravinder Nath	–	5,00,000	55,000	5,55,000
Dr. Y.K. Alagh	–	5,00,000	20,000	5,20,000
Mr. Siddharath Bindra	–	5,00,000	1,20,000	6,20,000
Mr. G. G. Trivedi $	–	2,90,411	45,000	3,35,411

* Managing Directors and Whole time Directors are not entitled for sitting fee.

The Commission pertains to the period prior to her appointment as Whole Time Director of the Company.

** 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

has been calculated in accordance with the rules framed under the Income Tax Act, 1961.

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

Apart from sitting fees, the Non-Executive directors 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/- (Rupees five Lakhs only) to each Non-Executive Director of the Company upto and for the Financial Year ended 31st March, 2018.

A Special Resolution has been proposed by the Board of Directors to continue payment of such directors commission for approval of shareholders at their ensuing Annual general Meeting.

$ Mr. G. G. Trivedi was appointed as an Additional Director on the Board w.e.f 1st September, 2017.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Your Company has a CSR Committee, in terms of Section 135 of the Companies Act, 2013. The Chairman of the Committee is Mr. Abhishek Somany, Managing Director of the Company. Mr. Salil Singhal, Mr. Ravinder Nath and Mr. Siddharath Bindra, Non-Executive Independent Directors of the Company are the other members of the Committee.

During the year ended 31st March, 2018, three committee meetings were held i.e. on 24th May, 9th October in 2017 and on 30th January in the year 2018, 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	3	3
Mr. Salil Singhal	Independent	3	3
Mr. Ravinder Nath	Independent	3	1
Mr. Siddharath Bindra	Independent	3	3

COMPANY ADMINISTRATIVE COMMITTEE

The Company Administrative Committee was constituted by the Board for considering matters routine in nature and matters require to be resolved between two Board Meetings of the Company. Mr. Shreekant Somany, Chairman and Managing Director of the Company, is the Chairman of the Committee. Mr. Abhishek Somany, Managing Director, Mr. Salil Singhal and Mr. Siddharath Bindra, Non-Executive Independent Directors of the Company are other members of the Committee. During the year ended 31st March, 2018, two committee meetings were held i.e. on 9th October, 2017 and 23rd March, 2018 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	2	–
Mr. Abhishek Somany	Non-Independent	2	2
Mr. Salil Singhal	Independent	2	2
Mr. Siddharath Bindra	Independent	2	2

6. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code for Independent Directors under Schedule IV to the Companies Act, 2013 and Regulation 25 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 30th January, 2018 and attended by Independent Directors except Dr. Y. K. Alagh, to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

7. INDUCTION AND TRAINING OF INDEPENDENT DIRECTOR

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as the nature of industry in which the Company operates through induction programmes at the time of their appointment as 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. The details of familiarisation programmes for Independent Directors are uploaded on the website of the Company, i.e. www.somanyceramics.com at the weblink: https://www.somanyceramics.com/training-directors/

8. EVALUATION OF THE BOARD'S PERFORMANCE

One of the key functions of the Board is to monitor and review the Board evaluation framework. Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Regulations, 2015), the Board has carried out evaluation of performance of Individual Directors and as well as that of its Committees, including Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of Board's functioning such as composition of Board & its Committees, experience and competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors, including the Board as a whole, Chairman, who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent 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 said Committee has laid down a Whistle Blower Policy, duly approved by the Board, providing a platform to all the employees, vendors and customers to report any suspected fraud or error or confirmed incident of fraud /misconduct. The Board has adopted the Policy on Vigil Mechanism and uploaded the same on the Company's website i.e. www.somanyceramics.com at the weblink: https://www.somanyceramics.com/wp-content/uploads/pdfs/policies/whistel-blower-policy.pdf

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 meeting and Board meeting of the Company. Copies of the Minutes of the Board Meetings of Subsidiary Companies are circulated to all the Directors along with the agenda for the Board Meetings of the Company. The Board has approved and adopted a policy for determining Material Subsidiaries which has been uploaded on the Company's website i.e. www.somanyceramics.com and at the web link i.e. https://www.somanyceramics.com/wp-content/uploads/pdfs/policies/policy-on-material-subsidiary.pdf

11. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards (IND-AS 24) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website i.e. www.somanyceramics.com at the weblink i.e. https://www.somanyceramics.com/wp-content/uploads/2017/06/Related-Party-Policy_Revised_24.01.2017.pdf. Omnibus approval granted by Audit Committee for transactions contemplated to be undertaken by the Company with related parties subject to approval of the shareholders of the Company, if required.

12. GENERAL BODY MEETINGS

The details of all the General Body Meetings conducted in last 3 years which were 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:

Year	Date	Time	AGM
2017-18	25.08.2017	10.30 A.M.	49th Annual General Meeting
2016-17	02.09.2016	10.30 A.M.	48th Annual General Meeting
2015-16	04.09.2015	10.30 A.M.	47th Annual General Meeting

13. SPECIAL RESOLUTIONS PASSED IN THE PREVIOUS THREE AGMs/EOGMs:

Date of Meeting held	AGM/EOGM	Subject matter of the resolution
25th August, 2017	AGM	• Re-appointment of Shri Shreekant Somany (DIN: 00021423) as the Chairman & Managing Director of the Company for a further period of 3 (Three) consecutive years, commencing from 1st September, 2017 till 31st August, 2020. • Re-appointment of Shri Abhishek Somany (DIN: 00021448) as the Managing Director of the Company for a further period of 5 (Five) consecutive years, commencing from 1st June, 2018 till 31st May, 2023.
2nd September, 2016	AGM	• Appointment of Smt. Anjana Somany (DIN: 00133542), Director of the Company as a Key Managerial Personnel, designated as a Whole-time Director of the Company with effect from 21st May, 2016 till 20th May, 2019.
4th September, 2015	AGM	• Adoption of new set of Article of Association of the Company.

No Extra-Ordinary General Meeting was held during the year under review.

14. POSTAL BALLOT

Pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, as amended from time to time, the Company has passed a Special Resolution through Postal Ballot conducted during the year 2017-18 as per Postal Ballot notice dated 24th May, 2017, the result of which were announced on 8th August, 2017, details of which are as follows:.

Agenda	Shifting of Registered Office of the Company from National Capital Territory (NCT) of Delhi to the State of West Bengal.						
Resolution Required	Special						
Mode of Voting	E-voting/Physical Postal Ballot						
Remarks	Passed with requisite majority						
Promoter/ Public	**No. of Shares held**	**No. of Votes polled**	**% of Votes polled on outstanding shares**	**No. of Votes-in favour**	**No. of Votes-against**	**%of Votes in favour on votes polled**	**% of Votes against on votes polled**
	(1)	(2)	(3)= [(2)/(1)]* 100	(4)	(5)	(6) = [(4)/(2)]* 100	(7)= [(5)/(2)] *100
Promoter and Promoter Group	21839360	21839360	100.00	100.00	–	100.00	–
Public- Institutional holders	10570142	9006806	85.21	8987955	18851	99.79	0.21
Public - Others	9969924	69259	0.69	69245	14	99.98	0.02
Total	**42379426**	**30915425**	**72.95**	**30896560**	**18865**	**99.94**	**0.06**

• Mr. Pravin Kumar Drolia of M/s. Drolia & Company, Practicing Company Secretaries, Kolkata (FCS: 2366, COP:1362) was appointed as the Scrutinizer by the Board of Directors of the Company to conduct the aforesaid Postal Ballot process in fair and transparent manner.

• Resolutions, if any, to be passed through Postal Ballot during the current financial year will be taken up as and when necessary.

The Procedure for Postal Ballot:

In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sections 108, 110 and other applicable provisions of the Companies Act, 2013 (the Act), read with the related Rules, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Secretarial Standard – 2 (SS-2), the Company provides electronic voting (e-voting) facility to all its members, to enable them to cast their votes electronically. The Company engages the services of Central Depository Services Limited (CDSL) for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members / list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / Notice of Postal Ballot is dispatched physically to the shareholders at their respective addresses registered with the Registrar and Transfer Agent (RTA) who have not registered their e-mail id's with the RTA of the Company. The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting. The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman / authorized officer. The results are also displayed on the website of the Company, www.somanyceramics.com, besides being communicated to the stock exchanges. The result of the Postal Ballot is also published in the newspapers having wide circulation in English and Regional Language, where the registered office of the Company is situated. The last date for receipt of Postal Ballot Forms and remote e-voting shall deem to be the date of passing of Postal Ballot Resolutions, in terms of Secretarial Standard on General Meetings (SS-2).

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 the mandatory requirements of Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Directors have confirmed that they meet the criteria of 'Independence as stipulated under Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There were no materially significant related party transaction which may have potential conflict with the Interest of the Company at large. During the year under review, no employee of the Company has been denied access to the Audit Committee in respect of suspected fraud or error, if any, under the vigil mechanism adopted by the Board.

The Company has in place a mechanism to inform the Board Members about the risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management and also adopted a Risk Management Policy during the year.

16. MEANS OF COMMUNICATION

The annual, half yearly and quarterly results of the Company are generally published in Jansatta, New Delhi (Hindi Edition), The Financial Express (English Edition) New Delhi, Kolkata & Mumbai and Ebela (Kolkata), (Bengali Edition) newspapers. The results of the Company are submitted to the National Stock Exchange of India Limited and BSE Limited in accordance with the SEBI (Listing Regulations, 2015) and posted on its website: www.somanyceramics.com. The presentations made to Institutional investors/ analysts are available at website of the Company i.e. www.somanyceramics.com at the web link at https://www.somanyceramics.com/presentations/

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

18. GENERAL SHAREHOLDER'S INFORMATION

Registered Office

2, Red Cross Place,
Kolkata - 700001
Phone: 033-22487406/5913
E-mail: cs@somanytiles.co.in

Plant locations

i) V & P.O Kassar, Bahadurgarh
Distt. Jhajjar, Haryana - 124507
Phone: 01276-223300 Fax : 01276-241011
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

The 50th Annual General Meeting of the Company will be held on Thursday, the 30th August, 2018 at Sripati Singhania Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata- 700 020 at 11.00 A.M.

20. FINANCIAL CALENDAR: 1ST APRIL TO 31ST MARCH

Financial Reporting for 2018-2019 is as follows:

First Quarter	Second week of August, 2018
Second Quarter	Second week of November, 2018
Third Quarter	Second week of February, 2019
Fourth Quarter	Fourth week of May, 2019

21. BOOK CLOSURE DATE

17th August, 2018 to 30th August, 2018 (both days inclusive)

22. DIVIDEND

The Board of Directors of Company has recommended a dividend of ₹ 2.70 per equity share of ₹ 2/- each for the year ended 31st March, 2018 subject to approval of the Shareholders at the ensuing 50th Annual General Meeting of the Company and the amount of dividend will be paid or Dividend warrants will be dispatched to the eligible Shareholders by 4th September, 2018.

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 2018-2019.

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

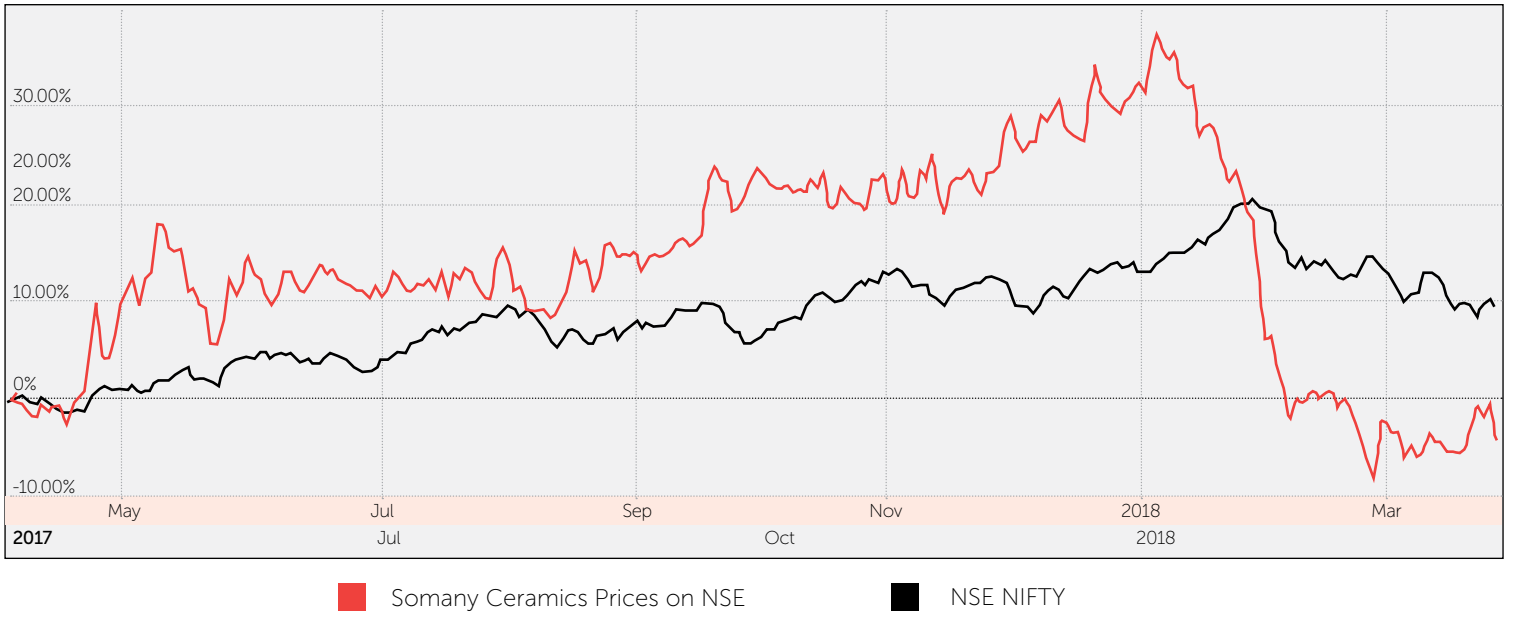
Market Price Data:

	National Stock Exchange of India Limited*			BSE Limited*		
	High (₹)	Low (₹)	No. of Shares Traded	High (₹)	Low (₹)	No. of Shares Traded
Apr-17	767.70	672.25	4,361,526	767.00	673.15	812,459
May-17	840.00	685.00	680,725	840.00	690.00	71,688
Jun-17	798.95	751.15	303,980	799.50	749.50	195,756
Jul-17	851.95	734.80	584,556	865.00	707.00	480,614
Aug-17	824.20	711.60	650,010	821.50	725.00	132,519
Sep-17	886.00	779.10	408,641	915.00	780.00	116,788
Oct-17	875.00	820.00	362,220	888.40	820.00	110,354
Nov-17	959.10	814.95	1,238,985	950.00	805.95	461,990
Dec-17	940.00	839.80	211,315	934.90	857.95	15,708
Jan-18	977.60	655.55	611,347	973.80	725.00	75,414
Feb-18	745.45	625.85	601,832	744.30	615.00	137,728
Mar-18	700.00	640.80	612,313	719.10	641.00	30,061

*Source: Official website of BSE and NSE

PERFORMANCE IN COMPARISON TO BROAD BASED INDICES

Somany Ceramics Limited Price on NSE & NSE NIFTY



*Source: Official website of NSE

24. REGISTRAR & SHARE TRANSFER AGENT

(Both for physical and demat segment)
Maheshwari Datamatics Pvt. Ltd.
23, R. N. Mukherjee Road,
5th Floor, Kolkata – 700 001
Phone No. 033-2243 5809/2248 2248
E-mail: mdpldc@yahoo.com

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 or RTA with valid documents are transferred and share certificates are returned in physical form within the time prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

26. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2018

No. of Equity Shares	Number of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1 to 500	8380	87.37	641655	1.51
501 to 1000	542	5.65	421291	0.99
1001 to 2000	239	2.49	362427	0.86
2001 to 3000	98	1.02	251013	0.59
3001 to 4000	47	0.49	172234	0.41
4001 to 5000	48	0.50	223936	0.53
5001 to 10000	83	0.87	590016	1.39
10001 and Above	154	1.61	39716854	93.72
Total	**9591**	**100.00**	**42379426**	**100.00**

Categories of Shareholding as on 31st March, 2018.

Category	Number of Shares	Percent
Indian Promoters	21,839,360	51.53
Mutual Funds & UTI, Alternate Investment Funds	9,070,408	21.40
Banks, Financial Institutions, Insurance Companies	13,278	0.03
NBFCs Registered with RBI	150	0.00
Foreign Portfolio Investors	1,770,096	4.18
Foreign Institutional Investors	–	–
Corporate Bodies	2,427,602	5.73
Indian Public	5,914,014	13.96
NRIs/Foreign Companies	1,170,214	2.76
Investor Education and Protection Fund Authority	106089	0.25
Trusts	21351	0.05
Clearing Members	46,864	0.11
Total	**42,379,426**	**100**

27. DEMATERIALISATION OF SHARES

The Company's equity shares enjoy the DEMAT facilities with NSDL as well as CDSL. The shares held in dematerialised form in CDSL are 1101982 (2.60%) and in NSDL are 40849009 (96.39%) representing 41950991 (98.99%) Equity shares of the paid-up capital of the Company as on 31st March, 2018. The total shares held in physical form are 428435 (1.01%).

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

During the year 2017-18, 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. STOCK OPTIONS

The Company has not issued any stock option.

30. COMMODITY PRICE/FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

During the year 2017-18, there are no significant commodity price risk, further necessary steps are being taken to minimize foreign exchange risks.

31. CONTACT FOR CLARIFICATION ON FINANCIAL STATEMENTS:

Individuals may contact

Mr. Saikat Mukhopadhyay, Chief Financial Officer at:
F-36, Sector-6, Noida - 201301
Phone : 0120 - 4627900
Email : saikat@somanytiles.co.in

Shareholder's Enquiries: Individuals may contact

Mr. Shyamalendu Banerjee at:
2, Red Cross Place, Kolkata – 700 001
Phone : 033-22487406/5913, Email : sclinvestors@somanytiles.co.in

Pursuant to the Uniform Listing Agreement entered by the Company with Stock Exchanges, the Company has created email-id for redressal of investor grievances viz; sclinvestors@somanytiles.co.in

32. PARTICULARS IN RESPECT OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ENSUING 50TH ANNUAL GENERAL MEETING OF THE COMPANY, PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Mr. Ghanshyambhai Girdharlal Trivedi

Aged about 71 years, is an Associate Member of ICMA and holds degree in M.Sc. and LL.B. He has over 48 years of experience which includes 30 years of his rich experience in Ceramics, Glass and Sanitary Ware Industry. He is a Member of many reputed organizations' like ACS, AIMA, Indian Ceramic Society and AIPMA and is associated with the several professional bodies contributing to the growth and development of Ceramic, Glass and Sanitary Ware Industry in India. He is playing advisory role as a member of Committee of CGCRI-Ahmedabad, Council Member of ICS and AIPMA. He has participated in several National and International Conferences and has presented research papers which have benefited the Industry at large. He is associated with the Company since 1987 and retired as CEO w.e.f. 17th August, 2017. He is holding 2000 equity shares of the Company. 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 Limited	Director	1	1	1

Mrs. Anjana Somany

Aged about 65 years is a holder of Bachelor of Arts degree from Calcutta University, and has done her training Diploma in Ceramic Creation and Porcelaine Painting from Switzerland, a year long Diploma in Textile Designing from New Delhi Polytechnic and a full year Diploma in Art History from London University. She brings forth her strengths, learning and commitment through thirty years in the field of building entrepreneurship among various groups of people and has also worked for the empowerment of women in business. She has also been a trainer for Entrepreneurship Development Programs at grass roots levels across India. She has a rich working experience in the field of designing and development in the Ceramic Industry and brings her design experience to the family business. She at present, is holding 94,150 shares of the Company and occupies Directorship's and Committee positions in the following Companies:

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 Limited	Director	–	–	–
2	Sarvottam Vanijya Limited	Director	–	–	–
3	Bhilwara Holdings Limited	Director	–	–	–

Mrs. Somany was appointed as a Key Managerial Personnel, designated as a 'Whole-time Director' of the Company for a period of three consecutive years w.e.f. 21st May, 2016 till 20th May, 2019, liable to retire by rotation, pursuant to the provisions under Sections 196, 197, 198 and 203 of the Companies Act, 2013, read with Schedule V to the said Act and rules made thereunder, at 48th Annual General Meeting of the Company.

Mr. Rameshwar Singh Thakur

Mr. Rameshwar Singh Thakur aged about 70 years is holder of BE (Mechanical Engineering) degree, MBA from XLRI and also Graduate Chartered Institute of Management Accountants (London). He has experience of about 46 years in Business Planning, Product Pricing, plant accounts functions, Treasury and Taxation & International Business Development. The details of his directorship and membership in other Companies are given below:

Sl. no.	Name of the Public Limited Company in which he is a Director	Chairman/ Director	Position held in		
			Audit Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee
1	TAL Manufacturing Solutions Limited	Director	–	–	–
2	Drive India Enterprise Solutions Limited	Director	–	–	–

For and on behalf of the Board
For Somany Ceramics Limited

Shreekant Somany
Chairman and Managing Director
DIN No.: 00021423

33. DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm and declare that, all the Directors and Senior Management Personnel of the Company have affirmed their compliances with the Code of Conduct of the Company, in so far as it is applicable to them, and there is no non-compliance thereof during the year ended 31st March, 2018.

T. R. Maheshwari
Chief Executive Officer

Place : New Delhi
Date: 22nd May, 2018

34. CEO/CFO CERTIFICATION

The Board of Directors
Somany Ceramics Limited

We have reviewed the financial statements and the cash flow statement of Somany Ceramics Limited for the year ended 31st March, 2018 and that to the best of our knowledge and belief, we state that;

(a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.

(b) there are, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

(c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

(d) we have indicated to the Auditors and the Audit Committee:

(i) significant changes, if any, in the internal control over financial reporting during the year.

(ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,

T.R. Maheshwari
Chief Executive Officer

Saikat Mukhopadhyay
Chief Financial Officer

Place: New Delhi
Date: 22nd May, 2018

FINANCIALS

INDEPENDENT AUDITOR'S REPORT

To the Members of
SOMANY CERAMICS LIMITED

Report on the Ind AS Standalone Financial Statements

We have audited the accompanying Ind AS standalone financial statements of Somany Ceramics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind-AS 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 Ind AS standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, the statement of changes in equity and the cash flows statement of the Company and in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Ind AS 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 Ind AS 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 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 Ind AS 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 Ind AS standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS 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 Ind AS standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS 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 March 31, 2018, its profit including other comprehensive income, the statement of changes in equity 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A statements on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

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 purpose of our audit.

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

(c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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

(e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 37 of the standalone Financial Statements.

b. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

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

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS standalone financial statements, are based on the previously issued financial statements prepared in accordance with the Accounting Standards referred in section 133 of the Companies Act'2013 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 24, 2017 and May 21, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: May 24, 2018

Annexure referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: Somany Ceramics Limited)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

(b) The Company has a regular programme of physical verification of its property, plant and Equipment by which property, plant and Equipment are verified in a phased manner over a period of three years. In accordance with this programme, fixed assets were verified during the year. The discrepancies noticed on such physical verification were not material.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company.

(ii) The management has conducted physical verification of inventories except stock in transit during the year at reasonable interval and no material discrepancies were noticed on such physical verification.

(iii) The Company has granted unsecured loans to the companies covered in the register maintained under Section 189 of the Companies Act, 2013. The terms and conditions of the grant of such loans are not prejudicial to the interest of the Company. The Company has stipulated schedule of repayment of principal and payment of interest and repayment of principal and interest are regular. The Company has not granted any loan to Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has complied with provisions of Section 186 of the Companies Act, 2013 in respect of loan granted and investments made. According to information and explanations given by the management, no loan or guarantee or security under section 185 and no guarantee or security under section 186 of the Companies Act, 2013 have given during the year.

(v) The Company has not accepted any deposits covered under section 76 of the Companies Act'2013 during the year. Therefore, the provisions of clause 3(v) of the Order are not applicable.

(vi) The maintenance of cost records has not been prescribed by the Central Government under the section 148 (1) of the Act read with companies (Cost Records and Audit) Rules, 2014 for the goods/ product manufactured by the Company.

(vii) a. The Company is regular in depositing amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, Service Tax, Duty of customs, Duty of excise, Value Added Tax, Cess and other material statutory dues with the appropriate authorities. There was no undisputed outstanding statutory dues as at the year end for a period of more than six months from the date they became payable.

b. According to the records of the Company there are no dues outstanding on account of Income-tax, Sales-tax, Value Added Tax, Service Tax, Duty of customs, Duty of excise and Cess on account of any dispute except the followings :

Name of Statue	Nature of Dues	Period to which it relates	Amount (Rs. in Lakhs) *	Forum where dispute is pending
The Custom Act, 1962	Demand of Custom Duty	1997-1999	5.91	Deputy Commissioner of Customs, (Import) Tughlakabad
The Central Excise Act, 1944	Demand of Excise Duty	2005-2007	13.04	CESTAT, New Delhi
		1996-2000	9.33	CCE Appeals, Ahmedabad
		1994-1995	0.07	Asst. Commissioner, Kalol
The Sales Tax Act / The Value Added Tax	Demand of Local Area Development Tax	2002-2003	5.15	Haryana Tax Tribunal, Chandigarh
		2006-07 to 2017-18	805.63	Supreme Court of India
	Demand of Entry Tax	2013-2017	38.88	High Court of Kolkata
	Demand of Turnover Tax	2006-2008	81.37	Asst. Commissioner, Ahmedabad
		2012-2013	31.69	Deputy Commissioner, Commercial Taxes, Ahmedabad
		2012-2013	83.99	Maharashtra Sales Tax Tribunal, Mumbai
The Finance Act, 1994	Demand of Service Tax	2007-2009	2.80	Asstt. Commissioner, Rohtak
The Income Tax Act, 1961	Demand of Income Tax	2013-2014	8.95	Commissioner of Income Tax (Appeal), Delhi

*net of payment

(viii) The Company has not defaulted in repayment of dues to bank and financial institution. The Company did not have any borrowing from Government and dues to debenture holders.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Further in our opinion and explanations given to us, term loans were applied for the purpose for which loans were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers and employees has been noticed or reported during the year.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with directors. Therefore, the provisions of clause 3(xv) of the Order are not applicable.

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

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: May 24, 2018

Annexure - B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of Somany Ceramics Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind-AS standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind-AS financial

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind-AS standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind-AS standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and same can be further strengthened.

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: May 24, 2018

Standalone Balance Sheet as at March 31, 2018

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Assets				
Non-current Assets				
Property, Plant and Equipment	3	37,414.43	31,110.15	30,545.77
Capital work-in-progress		503.23	666.06	363.38
Intangible Assets	3	770.60	81.58	119.81
Intangible Assets under Development		4.20	405.25	191.38
Financial Assets				
(i) Investments	4	5,063.44	5,096.81	3,588.88
(ii) Loans	5	2,483.05	1,932.65	1,432.65
(iii) Other Financial Assets	6	740.36	801.98	787.40
Other Non-Current Assets	7	177.83	298.68	132.21
		47,157.14	**40,393.16**	**37,161.48**
Current Assets				
Inventories	8	15,651.52	13,188.40	12,120.43
Financial Assets				
(i) Investments	9	11,433.64	11,600.77	8,877.34
(ii) Trade Receivables	10	47,530.03	40,525.03	31,208.91
(iii) Cash and Cash Equivalents	11	139.92	785.37	1,399.90
(iv) Bank Balances other than (iii) above	12	304.91	38.20	69.41
(v) Loans	13	1,279.43	1,400.00	1,254.26
(vi) Other Financial Assets	14	408.91	526.03	257.40
Other Current Assets	15	3,738.38	2,820.41	3,445.52
		80,486.74	**70,884.21**	**58,633.17**
Total Assets		**1,27,643.88**	**1,11,277.37**	**95,794.65**
Equity and Liabilities				
Equity				
Equity Share Capital	16	847.59	847.59	847.59
Other Equity	17	55,125.38	50,008.42	42,365.26
		55,972.97	**50,856.01**	**43,212.85**
Liabilities				
Non- current Liabilities				
Financial Liabilities				
(i) Borrowings	18	7,910.91	7,237.94	8,367.82
(ii) Others Financial Liabilities	19	2,229.95	2,034.55	1,972.58
Provisions	20	472.31	438.46	359.58
Deferred Tax Liabilities (Net)	21	4,212.18	3,656.17	3,147.39
Other Non-Current Liabilities	22	282.72	233.31	118.16
		15,108.08	**13,600.43**	**13,965.53**
Current Liabilities				
Financial Liabilities				
(i) Borrowings	23	17,388.27	14,410.39	16,825.66
(ii) Trade Payables	24	27,567.25	21,151.68	11,256.74
(iii) Other Financial Liabilities	25	4,038.44	3,450.84	3,842.32
Other Current Liabilities	26	6,928.67	7,413.00	6,390.54
Provisions	27	65.08	122.34	141.66
Current Tax Liabilities (net)	28	575.12	272.68	159.35
		56,562.83	**46,820.93**	**38,616.27**
Total Equity and liabilities		**1,27,643.88**	**1,11,277.37**	**95,794.65**
Significant Accounting Policies and other Notes to Financial Statements.	1 to 53			
The accompanying Notes are an integral part of the Financial Statements.				

As per our report of even date

For **SINGHI & Co.**
Chartered Accountants
(ICAI FRN. NO.: 302049E)

B. K. SIPANI
Partner
M. No. 088926

Place: New Delhi
Date: May 24, 2018

For and on behalf of Board of Directors

SHREEKANT SOMANY
Chairman & Managing Director
DIN: 00021423

SAIKAT MUKHOPADHYAY
Chief Financial Officer

ABHISHEK SOMANY
Managing Director
DIN: 00021448

AMBRISH JULKA
DGM (Legal) & Company Secretary

Standalone Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from Operations	29	1,68,164.30	1,88,492.41
Other Income	30	1,904.56	1,724.45
Total Revenue		**1,70,068.86**	**1,90,216.86**
Expenses			
Cost of Materials Consumed	31	20,578.06	19,934.21
Purchases of Stock-in-Trade		83,259.09	92,658.39
Change in Inventories of Finished Goods ,			
Work-in-progress and Stock-in-Trade	32	(2,214.11)	473.01
Excise duty on Sales		1,630.88	8,218.62
Employee Benefit Expense	33	15,329.33	14,163.71
Finance Costs	34	1,765.91	1,651.69
Depreciation and Amortization Expense	3	2,703.63	2,171.26
Other Expenses	35	36,463.53	36,955.97
Total Expenses		**1,59,516.32**	**1,76,226.86**
Profit Before Exceptional Items and Tax		10,552.54	13,990.00
Exceptional Items (Net)	47	440.41	406.25
Profit before tax		**10,112.13**	**13,583.75**
Tax Expense:			
(1) Current Tax	21		
- Current year		3,037.64	4,298.24
- For earlier years		-	30.45
(2) Deferred Tax Charge/(Credit)	21	564.51	484.54
Profit for the year		**6,509.98**	**8,770.52**
Other Comprehensive Income (OCI)			
(1) Items that will not be reclassified to profit & loss		(24.34)	70.04
Income Tax relating to above	21	8.50	(24.24)
(2) Items that will be reclassified to profit & loss		-	-
Total Comprehensive Income for the year		**6,494.14**	**8,816.32**
Earnings Per Equity Share (Per Share Value of Rs. 2 each)	36		
Basic		**15.36**	**20.70**
Diluted		**15.36**	**20.70**
Significant Accounting Policies and other Notes to Financial Statements.	1 to 53		
The accompanying Notes are an integral part of the Financial Statements.			

As per our report of even date

For **SINGHI & Co.**
Chartered Accountants
(ICAI FRN. NO.: 302049E)

B. K. SIPANI
Partner
M. No. 088926

Place: New Delhi
Date: May 24, 2018

For and on behalf of Board of Directors

SHREEKANT SOMANY
Chairman & Managing Director
DIN: 00021423

ABHISHEK SOMANY
Managing Director
DIN: 00021448

SAIKAT MUKHOPADHYAY
Chief Financial Officer

AMBRISH JULKA
DGM (Legal) & Company Secretary

Standalone Statement of Change in Equity for the Year ended March 31, 2018

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount	No. of Shares	Amount
(a) Equity Share Capital & Reconciliation of number of shares outstanding at the beginning and end of the year :				
Balance at the beginning of the year	4,23,79,426	847.59	4,23,79,426	847.59
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	**4,23,79,426**	**847.59**	**4,23,79,426**	**847.59**

(b) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Capital Redemption Reserve	Security Premium Reserve	General Reserve	Retained earnings	Remeasurement of defined benefit plans	
Restated balance at the beginning of the reporting period	**0.03**	**16,389.03**	**5,035.33**	**20,983.31**	**(42.44)**	**42,365.26**
Profit for the year	-	-	-	8,770.52	-	8,770.52
Other Comprehensive Income for the year	-	-	-	-	45.80	45.80
Total Comprehensive Income for the year	**-**	**-**	**-**	**8,770.52**	**45.80**	**8,816.32**
Dividend Paid	-	-	-	974.73	-	974.73
Dividend Distribution Tax	-	-	-	198.43	-	198.43
Balance at March 31, 2017	**0.03**	**16,389.03**	**5,035.33**	**28,580.67**	**3.36**	**50,008.42**
Profit for the year	-	-	-	6,509.98	-	6,509.98
Other Comprehensive Income for the year	-	-	-	-	(15.84)	(15.84)
Total comprehensive income for the year	**-**	**-**	**-**	**6,509.98**	**(15.84)**	**6,494.14**
Transfer to General Reserve	-	-	-	-	-	-
Dividend Paid	-	-	-	1,144.24	-	1,144.24
Dividend Distribution Tax	-	-	-	232.94	-	232.94
Balance at March 31, 2018	**0.03**	**16,389.03**	**5,035.33**	**33,713.47**	**(12.48)**	**55,125.38**

Capital Redemption Reserve: It represents the redemption of Preference Shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Securities Premium Reserve: This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date

For **SINGHI & Co.**
Chartered Accountants
(ICAI FRN. NO.: 302049E)

B. K. SIPANI
Partner
M. No. 088926

Place: New Delhi
Date: May 24, 2018

For and on behalf of Board of Directors

SHREEKANT SOMANY
Chairman & Managing Director
DIN: 00021423

SAIKAT MUKHOPADHYAY
Chief Financial Officer

ABHISHEK SOMANY
Managing Director
DIN: 00021448

AMBRISH JULKA
DGM (Legal) & Company Secretary

Standalone Cash Flow Statement for the Year ended March 31, 2018

(₹ in Lakhs)

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
A.	**Cash Flow From Operating Activities**		
	Net Profit before Tax as per Statement of Profit & Loss	**10,112.13**	**13,583.75**
I.	Adjusted For :		
	Depreciation and Amortisation Expense	2,703.63	2,541.02
	Finance Costs	1,765.90	1,651.69
	Interest Income	(1,467.62)	(1,070.25)
	(Profit)/Loss on Sales of Investments (Net)	(195.16)	(303.47)
	Unrealized Foreign Exchange (Gain)/Loss (Net)	33.39	(116.60)
	Movement in Fair Value of Investments	53.41	33.07
	Provision for Doubtful Debts and Recoverables	119.65	49.66
	Sundry Balances Written Off	15.54	(45.49)
	Sundry Balance Written Back	(51.11)	-
	(Profit)/Loss on sale / Discard of Property Plant and Equipments (Net)	249.28	59.53
	Operating Profit Before Working Capital Changes	**13,339.04**	**16,382.91**
II.	Adjusted For :		
	Trade and Other Receivables	(8,654.46)	(9,408.16)
	Inventories	(2,463.13)	(1,067.95)
	Trade and Other Payables	6,165.33	11,228.93
	Cash Generated from Operation	**8,386.78**	**17,135.73**
	Income Taxes Refund /(Paid)	(2,735.19)	(4,215.36)
	Net Cash Flow from Operating Activities (A)	**5,651.59**	**12,920.37**
B.	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment and Intangible Assets	(9,329.05)	(4,556.57)
	Sale of Property, Plant and Equipment	182.28	154.10
	Proceeds from Redemption of Preference Shares	239.19	28.38
	Investments in Subsidiaries	(323.64)	(1,507.94)
	Purchase of Current Investments	(57,872.75)	(66,662.68)
	Sale of Current Investments	58,299.46	64,181.26
	Interest Received	1,591.83	841.43
	Net Cash Outflow in Investing Activities (B)	**(7,212.68)**	**(7,522.02)**

Standalone Cash Flow Statement for the Year ended March 31, 2018

(₹ in Lakhs)

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
C.	**Cash Flow from Financing Activities**		
	Proceeds from Non Current Borrowings	3,579.18	2,243.56
	Repayment of Non Current Borrowings	(2,474.13)	(2,954.01)
	Current Borrowings (net)	2,952.70	(2,415.27)
	Interest Paid	(1,764.92)	(1,714.00)
	Dividend Paid (including corporate dividend tax)	(1,377.19)	(1,173.16)
	Net Cash Inflow from Financing Activities (C)	**915.64**	**(6,012.88)**
	Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	**(645.45)**	**(614.53)**
	Opening		
	Cash and Cash Equivalents	785.37	1,399.90
	Closing		
	Cash and Cash Equivalents	139.92	785.37

Notes :

a) Cash & Cash Equivalents represents cash and bank balances.(Note No.11)

b) Figures for the previous year have been regrouped/rearranged wherever considered necessary.

c) Additional Disclosure required under amendment to Ind AS 7 effective April 1, 2017. Refer Note No. 52.

d) The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date

For **SINGHI & Co.**
Chartered Accountants
(ICAI FRN. NO.: 302049E)

B. K. SIPANI
Partner
M. No. 088926

Place: New Delhi
Date: May 24, 2018

For and on behalf of Board of Directors

SHREEKANT SOMANY
Chairman & Managing Director
DIN: 00021423

SAIKAT MUKHOPADHYAY
Chief Financial Officer

ABHISHEK SOMANY
Managing Director
DIN: 00021448

AMBRISH JULKA
DGM (Legal) & Company Secretary

Notes to Standalone Financial Statements for the Year ended March 31, 2018

1 Reporting Entity

Somany Ceramics Limited referred to as "the Company" is domiciled in India. The registered office of the Company is at 2, Red Cross Place, Kolkata – 700001 India. Equity shares of the Company are listed in India on the Bombay stock exchange and the National stock exchange.

The Company has own manufacturing plants in Kadi (Gujarat) and Kassar (Haryana), India The Company is a manufacturer and trader of a complete decor solutions and its extensive range of products include Ceramic Wall and Floor Tiles, Polished Vitrified Tiles, Glazed Vitrified Tiles, Sanitary ware, Bath Fittings and allied products.

The financial statements of the company for the year ended March 31, 2018 were authorized for issue in accordance with a resolution of the directors on May 24, 2018.

2 Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

2.1 Basis of preparation

The standalone financial statements of Somany Ceramics Limited ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other accounting principles generally accepted in India.

The financial statement up to year ended March 31, 2017 were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2014 issued by the Central Government and as per relevant provisions of the Companies Act, 2013 read together with Paragraph 7 of The Companies (Accounts) Rules, 2014.

The Company followed the provisions of Ind-AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition i.e April 1, 2016 and transional adjustment were recognized directly through retained earnings (Refer Note No. 53).

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention on accrual basis and the following items, which are measured on following basis on each reporting date:

- Certain financial assets and liabilities that is measured at fair value.
- Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;

Notes to Standalone Financial Statements for the Year ended March 31, 2018

- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

2.3 Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

2.4 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Classification of leases into finance and operating lease
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

2.5 Classification of Assets and Liabilities as Current and Non-Current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset/liabilities is treated as current when it is:

- Expected to be realised/settled (liabilities) or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised/settled within twelve months after the reporting period, or

Notes to Standalone Financial Statements for the Year ended March 31, 2018

- Cash and Cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

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

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

2.6 Property, Plant and Equipment (Fixed Assets)

Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss , if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

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

Foreign exchange loss/gain arising on long-term foreign currency monetary items existing as on April 1, 2016 used for depreciable assets, which are capitalised as per transitional provision of Ind AS 101 "First time adoption".

Subsequent Measurement

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

Depreciation

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013 except for the following which has been determined on the basis of technical evaluation.

Particulars	Useful Life
Plant and Machinery	5 - 25 Years
Vehicles	5 Years
Dies & Punches	8 Years

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure.

Leasehold improvements are being amortised over the period of 5 to 10 years.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Individual assets costing below Rs. 5000 are fully depreciated in the year of purchase.

Capital work-in-progress

Expenditure incurred during the construction period, including all expenditure direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

2.7 Intangible assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 5 years.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.8 Non-current assets held for sale

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.9 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

2.10 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.11 Foreign currency transactions

Transactions in foreign currencies are recorded by the Company at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- In respect of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind as financial reporting period, the Company has elected to recognise exchange differences on translation of such long term foreign currency monetary items in line with its Previous GAAP accounting policy.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

2.12 Employee benefits

Short term employee benefits

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Employee benefits in the form of Provident Fund are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

Defined benefit plans

For defined benefit retirement, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in other equity and will not be reclassified to the Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

Notes to Standalone Financial Statements for the Year ended March 31, 2018

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other long-term employee benefits

The Company has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

2.13 Revenue Recognition

The Company recognises revenue from sale of goods when;

i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

ii) the amount of revenue can be measured reliably;

iii) it is probable that the economic benefits associated with the transaction will flow to the Company; and

iv) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue (other than sale of goods) is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc.

Interest income are recognised on an accrual basis using the effective interest method.

Dividends are recognised at the time the right to receive payment is established.

2.14 Inventories

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of finished goods and stock in process is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of raw materials and stores & spare parts is computed on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

2.15 Provisions, Contingent Liabilities and Contingent Assets

Based on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

2.16 Measurement of fair value

a) Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b) Marketable and non-marketable equity securities

Fair value for quoted securities is based on quoted market prices as of the reporting date. Fair value for unquoted securities is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

2.17 Financial instruments

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

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

Financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

Financial assets at fair value through profit and loss (FVTPL)

Any Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a Financial assets, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit and loss include financial liabilities designated upon initial recognition as at fair value through profit and loss.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

2.18 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in Equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Statement of Profit and Loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

2.19 Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the percentage value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.20 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Company.

2.21 Standard issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

Standards issued but not yet effective

On March 28, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates' and Ind AS 115, 'Revenue from Contracts with Customers.' The amendments are applicable to the Company from April 1, 2018.

(a) Amendment to Ind AS 21

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements will be given in due course.

(b) Amendment to Ind AS 115

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs (""MCA"") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements will be given in due course.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

3.(i) Property, plant and equipment

(₹ in Lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2016	Additions	Disposals / Adjust-ments	As at March 31, 2017	As at April 1, 2016	For the Year	Disposals/ Adjust-ments	As at March 31, 2017	As at April 1, 2016	As at March 31, 2017
Tangible Assets										
Freehold land	581.39	-	-	581.39	-	-	-	-	581.39	581.39
Building	6,060.03	710.04	2.21	6,767.86	-	310.82	0.11	310.71	6,060.03	6,457.15
Plant and equipment	22,095.79	1,181.83	299.62	22,978.00	-	1,708.02	198.39	1,509.63	22,095.79	21,468.37
Vehicles	807.34	615.63	109.91	1,313.06	-	244.68	27.20	217.48	807.34	1,095.58
Furniture and fixtures	611.40	411.58	23.35	999.63	-	116.38	3.09	113.29	611.40	886.34
Office equipments	292.92	351.65	8.39	636.18	-	111.63	1.06	110.57	292.92	525.61
Assets under Finance Lease										
Leasehold land	96.90	-	-	96.90	-	1.19	-	1.19	96.90	95.71
Total	**30,545.77**	**3,270.73**	**443.48**	**33,373.02**	**-**	**2,492.72**	**229.85**	**2,262.87**	**30,545.77**	**31,110.15**

(₹ in Lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at March 31, 2017	Additions	Disposals / Adjust-ments	As at March 31, 2018	As at March 31, 2017	For the Year	Disposals/ Adjust-ments	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018
Tangible Assets										
Freehold land	581.39	-	-	581.39	-	-	-	-	581.39	581.39
Building	6,767.86	629.21	-	7,397.07	310.71	343.02	-	653.73	6,457.15	6,743.34
Plant and equipment	22,978.00	5,641.44	1,294.00	27,325.44	1,509.63	1,305.59	887.00	1,928.22	21,468.37	25,397.22
Vehicles	1,313.06	710.95	51.36	1,972.65	217.48	344.51	36.68	525.31	1,095.58	1,447.34
Furniture and fixtures	999.63	1,735.26	10.32	2,724.57	113.29	310.56	1.94	421.91	886.34	2,302.66
Office equipments	636.18	512.94	9.19	1,139.93	110.57	189.09	7.69	291.97	525.61	847.96
Assets under Finance Lease				-						
Leasehold land	96.90	-	-	96.90	1.19	1.19	-	2.38	95.71	94.52
Total	**33,373.02**	**9,229.80**	**1,364.87**	**41,237.95**	**2,262.87**	**2,493.96**	**933.31**	**3,823.52**	**31,110.15**	**37,414.43**

3 (ii). Intangible Assets

(₹ in Lakhs)

Particulars	Gross Block				Amortization				Net Block	
	As at April 1, 2016	Additions	Disposals / Adjust-ments	As at March 31, 2017	As at April 1, 2016	During the year	Disposals/ Adjust-ments	As at March 31, 2017	As at April 1, 2016	As at March 31, 2017
Intangible Assets										
Computer Software	119.81	10.09	-	129.90	-	48.32	-	48.32	119.81	81.58
Total	**119.81**	**10.09**	**-**	**129.90**	**-**	**48.32**	**-**	**48.32**	**119.81**	**81.58**

Notes to Standalone Financial Statements for the Year ended March 31, 2018

3 (ii). Intangible Assets (Contd.)

(₹ in Lakhs)

Particulars	Gross Block				Amortization				Net Block	
	As at March 31, 2017	Additions	Disposals / Adjust-ments	As at March 31, 2018	As at March 31, 2017	During the year	Disposals/ Adjust-ments	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018
Intangible Assets										
Computer Software	129.90	898.69	-	1,028.59	48.32	209.67	-	257.99	81.58	770.60
Total	**129.90**	**898.69**	**-**	**1,028.59**	**48.32**	**209.67**	**-**	**257.99**	**81.58**	**770.60**

1. Plant & equipment includes machinery Gross Rs. 62.29 Lakhs (Previous year Rs. 62.29 Lakhs) lying with third parties, pending confirmation.
2. Addition to Plant & Machinery includes foreign exchange loss amounting to Rs. 93.65 Lakhs capitalised (Previous year Rs. 88.15 Lakhs de-capitalised).
3. Assets pledged and Hypothecated against borrowings: Please Refer Note No. 18.
4. Previous year depreciation includes discard of old Plant & Equipments Rs. 369.78 Lakhs shown as exceptional item in the Statement of Profit & Loss.
5. Refer Note No. 53 (First Time Adoption)

4 Non-current Investments

(₹ in Lakhs)

Particulars		As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Investment in Equity Instruments (Unquoted, fully paid up)						
A)	**Subsidiary Companies (measured at cost)**						
a)	1,85,000 Equity Shares (March 31, 2017 - 1,85,000; April 1, 2016 -1,85,000) of Rs.10/- each of SR Continental Limited *	18.50		18.50		18.50	
b)	5,00,000 Equity Shares (March 31, 2017 - 5,00,000; April 1, 2016 -5,00,000) of Rs.10/- each of Somany Global Ltd*	50.00		50.00		50.00	
c)	53,04,000 Equity Shares (March 31, 2017 - 53,04,000; April 1, 2016 -53,04,000) of Rs.10/- each of Amora Tiles Pvt Ltd	530.40		530.40		530.40	
d)	76,50,000 Equity Shares (March 31, 2017 - 76,50,000; April 1, 2016 -76,50,000) of Rs.10/- each of Somany Fine Vitrified Pvt Ltd (Formerly Fine Vitrified Pvt Ltd)	765.00		765.00		765.00	
e)	15,10,000 Equity Shares (March 31, 2017 - 15,10,000; April 1, 2016 - 15,10,000) of Rs.10/- each of Somany Excel Vitrified Pvt. Ltd*	151.00		151.00		151.00	
f)	50,49,000 Equity Shares (March 31, 2017 - 50,49,000; April 1, 2016 -14,42,564) of Rs.10/- each of Somany Sanitaryware Pvt Ltd (Formerly Sonec Sanitaryware Pvt Ltd)	550.01		550.01		189.37	

Notes to Standalone Financial Statements for the Year ended March 31, 2018

4 Non-current Investments(Contd.)

(₹ in Lakhs)

Particulars		As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
g)	45,00,000 Equity Shares (March 31, 2017 - 45,00,000; April 1, 2016 - 23,40,000) of Rs.10/- each of Vintage Tiles Pvt Ltd	1,399.50		1,399.50		503.10	
h)	32,50,000 Equity Shares (March 31, 2017 - 32,50,000; April 1, 2016 - 32,50,000) of Rs.10/- each of Commander Vitrified Pvt Ltd	325.00		325.00		325.00	
i)	18,85,000 Equity Shares (March 31, 2017 - 18,50,000; April 1, 2016 - 18,85,000) of Rs.10/- each of Vicon Ceramics Pvt Ltd	188.50		188.50		188.50	
j)	36,11,718 Equity Shares (March 31, 2017 - 25,09,000; April 1, 2016 - Nil) of Rs. 10/- each of Sudha Somany Ceramics Private Ltd.	361.17		250.90		-	
k)	14,60,000 Equity Shares (March 31, 2017 - 14,60,000; April 1, 2016 - 14,60,000) of Rs.10/- each of Acer Granito Pvt Ltd.	511.00		511.00		511.00	
l)	21,33,636 Equity Shares (March 31, 2017 - Nil; April 1, 2016 - Nil) of Rs.10/- each of Amora Ceramic Pvt. Ltd	213.36	5,063.44	-	4,739.81	-	3,231.87
B)	**Associate (Joint Venture upto June 01, 2017)**						
a)	8,93,000 Equity Shares (March 31, 2017 - 8,93,000; April 1, 2016 - 8,93,000) of Rs.10/- each of SKPL Ceramics. Pvt. Ltd. (Formerly Somany Keraben Pvt Ltd.)	89.30		89.30		89.30	
	Less Provision for impairment	89.30	-	89.30	-	89.30	-
C)	**Investment in Preference Shares measured at cost**						
a)	Nil (March 31, 2017 - 35,70,000; April 1, 2016 - 35,70,000)						
	5% Non-Cumulative Non-Convertible Redeemable Preference shares of Rs. 10/- each of Somany Fine Vitrified Pvt. Ltd#	-	-	357.00	357.00	357.00	357.00
			5,063.44		**5,096.81**		**3,588.88**

* including share held by the nominee share holders

During the year Rs. 239.19 Lakhs has been redeemed and balance has been classified as current investment.

a.	Aggregate amount of investments are given below:			
	Aggregate cost of unquoted investments	5,152.74	5,186.11	3,678.18
	Aggregated amount of impairment in value of investment	89.30	89.30	89.30

b. None of the above investments are listed on any stock exchange in India or outside India.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

5 Loans

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured, Considered Good Unless Stated Otherwise)			
Inter Corporate Deposits to Related Parties	352.00	-	-
Deposits			
- With Related Parties#	2,106.05	1,907.65	1,407.65
- With Others	25.00	25.00	25.00
	2,483.05	**1,932.65**	**1,432.65**

For details of loans to related parties, refer Note No. 43, Related Party Transactions.

6 Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured, Considered Good Unless Stated Otherwise)			
Bank Deposit (Pledge with Government Department)	222.61	82.94	77.45
Fixed Deposits held as Margin Money with Banks/ Financial institutions	-	266.94	274.74
Deposit with Government Authorities	200.32	195.02	159.74
Deposit with Others	317.43	257.08	275.47
	740.36	**801.98**	**787.40**

7 Other Non-Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Advance	174.71	263.03	81.52
Prepaid Expenses	3.12	9.22	28.65
Others	-	26.43	22.04
	177.83	**298.68**	**132.21**

8 Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Valued at Lower of Cost and Net Realisable Value)			
(As taken, Valued and Certified by the Management)			
Raw Materials and Packing Material	2,987.41	2,533.16	1,490.42
Work -in-Progress	435.46	307.70	289.27
Finished Goods	6,770.87	5,771.83	5,555.07
Stock in Trade [including in transit stock of Rs. 11.95 Lakhs (March 31, 2017 - Nil, April 1, 2016 - Rs. 125.89 Lakhs)]	3,008.83	2,724.54	3,401.22
Stores and Spares	2,448.95	1,851.17	1,384.45
	15,651.52	**13,188.40**	**12,120.43**

a. Inventories are hypothecated to secure short-term borrowings. Refer to Note No. 23.

b. Write downs of inventories amounted to Rs. 151.80 Lakhs (previous year Rs. 220.16 Lakhs).

Notes to Standalone Financial Statements for the Year ended March 31, 2018

9 Current Investments

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A) Investments in Bonds and Non Convertible Debentures (Unquoted) (valued at fair value through profit & loss)			
37,700 Units (March 31, 2017 - 77,415 Units, April 1, 2016 - 19,000 Units) 10.25 % SREI Equitment Finance Ltd - 2022 (NCD)	371.01	2,030.40	190.95
9 Units (March 31, 2017 - 9 Units, April 1, 2016 - Nil) 11.50% SREI Infrastructure Finance Ltd (Bonds)	90.00	90.00	-
60 Units (March 31, 2017 - 60 Units, April 1, 2016 - Nil) 0.00% ICICI Bank 2018 (Bonds)	15.00	13.55	-
7 Units (March 31, 2017 - 27 Units, April 1, 2016 - Nil) 0.00% ICICI Bank 2019 (Bonds)	1.75	5.91	-
20 Units (March 31, 2017 - 20 Units, April 1, 2016 - Nil) 0.00% ICICI Bank 2020 (Bonds)	5.96	6.28	-
139 Units (March 31, 2017 - 246 Units, April 1, 2016 - Nil) 0.00% ICICI Bank 2022 (Bonds)	38.01	75.06	-
53 Units (March 31, 2017 - 120 Units, April 1, 2016 - Nil) 0.00% ICICI Bank 2023 (Bonds)	13.04	31.39	-
800 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.70% U P Power Corporation Ltd 04.07.2031 Bonds (NCD)	807.20	-	-
116 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 10.20% SREI Infrastructure Finance Ltd 23.03.2020 (NCD)	1,167.31	-	-
43 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.37% IL&FS Transportation Networks Ltd 29.10.2027 (Bonds)	427.42	-	-
24 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.25% IL&FS Transportation Networks Ltd 15.12.2022 (Bonds)	238.44	-	-
65 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.00% IL&FS Transportation Networks Ltd 30.11.2027 (Bonds)	651.30	-	-
41 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.37% IL&FS Transportation Networks Ltd 30.11.2027 (Bonds)	407.54	-	-
10 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.83% HVPNL Ltd. 21.01.2026 (Bonds)	99.46	-	-
379 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.80% Jaipur Vidyut Vitarun Nigam Ltd 30.03.2031 (NCD)	375.48	-	-
63 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.00% SREI Infrastructure Finance Ltd (NCD)	629.37	-	-
60 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 11.00% Bank of India Perpetual (Bonds)	598.80	-	-
100 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.60% ECL Finance Ltd 19.12.2025 (Bonds)	101.00	-	-

Notes to Standalone Financial Statements for the Year ended March 31, 2018

9 Current Investments (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
100 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.50% ECL Finance Ltd 28.04.2026 (Bonds)	100.72	-	-
310 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.25% Edelweiess Finvest Pvt Ltd 04.01.2028 (Bonds)	309.85	-	-
250 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.00 % Shriram Transport Finance Co. Ltd. 28.03.2028 (NCD)	2,500.00	-	-
5 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 11.90% Dhanlaxmi Bank 03.05.2018 (NCD)	50.00	-	-
24 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 0.00% IDFC 17.01.2026 (NCD)	163.20	-	-
274 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 10.75% IFCI 01.08.2016 (NCD)	71.98	-	-
8 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.10% IL&FS Transportation Networks ltd 03.02.2023 (Bonds)	80.40	-	-
Nil (March 31, 2017 - 14 Units, April 1, 2016 - 14 Units) 12.5 % SREI Equitment Finance Ltd (NCD)	-	144.70	144.20
Nil (March 31, 2017 - 116 Units, April 1, 2016 - Nil) 10.20% SREI Infrastructure Finance Ltd (Bonds)	-	1,158.49	-
Nil (March 31, 2017 - 47 Units, April 1, 2016 - Nil) 0.00% ICICI Bank 2021 (Bonds)	-	17.01	-
Nil (March 31, 2017 - 760 Units, April 1, 2016 - Nil) 0.00% NABARD Deep Discount (Bonds)	-	151.24	-
Nil (March 31, 2017 - 100 Units, April 1, 2016 - Nil) 10.95% IDBI Omni Additional Tier I Bond 2016-17 Series II (Bonds)	-	997.10	-
Nil (March 31, 2017 - 150 Units, April 1, 2016 - Nil) 11.09% IDBI Omni Additional Tier I Bond 2016-17 Series II (Bonds)	-	1,494.30	-
Nil (March 31, 2017 - 125 Units, April 1, 2016 - Nil) 11.15% Allahabad Bank Basel III (Bonds)	-	1,252.50	-
Nil (March 31, 2017 - 36 Units, April 1, 2016 - Nil)) 11.60% Bank of Maharastra Basel III Tier I 15.12.2099 (Bonds)	-	364.75	-
Nil (March 31, 2017 - 130 Units, April 1, 2016 - Nil) 7.18% Power Finance Corporation 20.01.2027 (Bonds)	-	1,279.33	-
Nil (March 31, 2017 - 7,00,000 Units, April 1, 2016 - Nil) 8.17 Government of India 2044 (Bonds)	-	755.37	-
Nil (March 31, 2017 - 50,000 Units, April 1, 2016 - Nil) 9.05% Dewan Housing Finance Corporation Ltd. (Bonds)	-	497.50	-
Nil (March 31, 2017 - 12 Units, April 1, 2016 - Nil) 11.09% IDBI Bank Ltd. Series I Perpetual (Bonds)	-	129.71	-
Nil (March 31, 2017 - 58 Units, April 1, 2016 - Nil) 8.07% Energy Efficiency Ser. (NCD)	-	605.09	-
Nil (March 31, 2017 - 24 Units, April 1, 2016 - Nil) 9% Reliance Capital (NCD)	-	248.47	-
Nil (March 31, 2017 - Nil, April 1, 2016 - 10 Units) 9.91% Dalmia Cement (Bharat) Limited - Series A (NCD)	-	-	99.59

Notes to Standalone Financial Statements for the Year ended March 31, 2018

9 Current Investments (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Nil (March 31, 2017 - Nil, April 1, 2016 - 90 Units) 9.91% Dalmia Cement (Bharat) Limited - Series C (NCD)	-	-	898.02
Nil (March 31, 2017 - Nil, April 1, 2016 - 161 Units) 10.36% Chhattisgarh State Power Distribution Company Limited 2036 (Bonds)	-	-	1,641.40
Nil (March 31, 2017 - Nil, April 1, 2016 - 5 Units) 9.45% Union Bank Of India Perpetual 2016 (Bonds)	-	-	50.00
Nil (March 31, 2017 - Nil, April 1, 2016 - 10,000 Units) 7.36% India Infrastructure Finance Co Ltd - 2028 (Bonds)	-	-	100.22
Nil (March 31, 2017 - Nil, April 1, 2016 - 117 Units) 10.39% Himachal Pradesh State Electricity Board Limited 2026 (Bonds)	-	-	1,146.60
Nil (March 31, 2017 - Nil, April 1, 2016 - 150 Units) 11.75% SREI Infra FI 2019 (Bonds)	-	-	1,500.15
Investments in Mutual Fund (Quoted) (valued at fair value through profit & loss)			
38,551 Units (March 31, 2017 - Nil, April 1, 2016 - Nil Units) Edelweiss Low Duration Fund-Super Instituional Growth Plan	800.41	-	-
Nil (March 31, 2017 - 1,05,907.216 Units, April 1, 2016 - Nil Units) Edelweiss Liquid Fund-Super Instituional Growth Plan	-	22.04	-
50,140.745 Units (March 31, 2017 - Nil, April 1, 2016 -Nil) Reliance Money Manager Growth Fund	1,200.66	-	-
Nil (March 31, 2017 - 1,997.76 Units; April 1, 2016 - Nil) Baroda Pioneer Liquid Fund	-	20.00	
Nil (March 31, 2017 - 10,38,080.592 Units, April 1, 2016 -Nil) Edelweiss Treasury Fund-Super Institutional Growth Plan	-	201.21	-
Nil (March 31, 2017 - Nil, April 1, 2016 -108,41,166 Units) Reliance Short Term Fund - Growth Plan	-	-	3,065.70
B) Investments in Equity Instruments (Quoted) valued at fair value through Profit & Loss (fully Paid)			
Nil (March 31, 2017 - Nil, April 1, 2016 - 2,00,000 Equity Shares) of Rs. 4/- each of Schablona India Ltd.	-	-	36.70
550 Equity Shares (March 31, 2017 - 550, April 1, 2016 - 550) of Rs. 2/- each of Punjab National Bank Ltd.	0.52	0.83	0.47
Nil (March 31, 2017 - 66,698, April 1, 2016 - 66,698 Equity Shares) of Rs.10/-each of Soma Textile & Industries Ltd.	-	8.54	3.34
C) Investment in Preference Shares measured at cost			
11,78,100 5% Non-Cumulative Non-Convertible Redeemable Preference shares of Rs. 10/- each of Somany Fine Vitrified Pvt. Ltd #	117.81	-	-
	11,433.64	11,600.77	8,877.34

During the year Rs. 239.19 Lakhs has been redeemed and balance has been classified as current investment.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

9 Current Investments (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Aggregate Book Value of Quoted Investment	2,001.59	252.62	3,106.21
Aggregate Market Value of Quoted Investment	2,001.59	252.62	3,106.21
Aggregate Book Value of Un-Quoted Investment	9,432.05	11,348.14	5,771.13
Aggregate amount of impairment in value of investments	-	-	-

10 Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good	47,530.03	40,525.03	31,208.91
Unsecured, Considered Doubtful	315.68	216.25	166.59
	47,845.71	40,741.28	31,375.50
Less: Allowances for credit losses	315.68	216.25	166.59
	47,530.03	**40,525.03**	**31,208.91**

a. Including Rs. 1229.15 Lakhs (March 31, 2017 - Rs. 251.35 Lakhs, April 1, 2016 - Rs. 50.58 lakhs) receivable from related parties.

b. Trade Receivables are hypothecated to secure short-term borrowings. Refer to Note 23.

11 Cash & Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance with Banks			
Current Accounts	129.40	777.93	1,375.32
Draft / Cheque on hand	-	-	16.05
Cash on Hand	10.52	7.44	8.53
	139.92	**785.37**	**1,399.90**

12 Other Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Earmarked Balances with Banks						
Bank Deposit (Pledge with Government Department)	223.87		91.75		84.72	
Less:- Shown Under "Other Financial Assets"(More than 12 months)	222.61	1.26	82.94	8.81	77.45	7.27
Unclaimed Dividend Accounts		36.66		29.39		25.05
Other Bank Balance						
Fixed Deposits held as Margin Money with Banks/ Financial institutions	-		266.94		311.83	
Less:- Shown Under "Other Financial Assets"(More than 12 months)	-	-	266.94	-	274.74	37.09
Fixed Deposits with Banks		266.99		-		-
		304.91		**38.20**		**69.41**

Notes to Standalone Financial Statements for the Year ended March 31, 2018

13 Loans

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured, Considered Good Unless Stated Otherwise)			
Inter Corporate Deposits			
- To Related Parties	36.64	-	-
- To Others	600.00	600.00	1,250.00
Other Deposits			
- With Related Parties	389.19	800.00	-
- With Others	253.60	-	4.26
	1,279.43	**1,400.00**	**1,254.26**

14 Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Accrued Interest	330.87	455.08	226.26
Deposit with others	78.04	70.95	31.14
	408.91	**526.03**	**257.40**

15 Other Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Prepaid Expenses	134.93	207.70	322.05
Export Incentive Receivable	327.17	148.06	106.26
Other Advances	1,687.22	974.17	1,257.07
Balance with Government Authorities	1,589.06	1,490.48	1,760.14
	3,738.38	**2,820.41**	**3,445.52**

16 Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised			
Equity Shares 12,50,00,000 (March 31, 2017 - 12,50,00,000; April 1, 2016-12,50,00,000) of Rs. 2 /-each	2,500.00	2,500.00	2,500.00
Issued, Subscribed and Paid up			
Equity Shares 4,23,79,426 (March 31, 2017-4,23,79,426; April 1, 2016-4,23,79,426) of Rs 2/- each fully paid up	847.59	847.59	847.59
	847.59	**847.59**	**847.59**

a. Terms and rights attached to equity shares

The Company has only one class of Equity Shares having face value of Rs. 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.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

16 Equity Share Capital (Contd.)

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

(₹ in Lakhs)

Particulars	Number of Shares	Amount
Outstanding as on April 1, 2016	**4,23,79,426**	**847.59**
Equity Shares issued/bought back during the year	-	-
Outstanding at the March 31, 2017	**4,23,79,426**	**847.59**
Equity Shares issued/bought back during the year	-	-
Outstanding at the March 31, 2018	**4,23,79,426**	**847.59**

c. List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
i) Bhilwara Holding Limited	92,02,200	90,09,840	90,09,840
ii) Sarvottam Vanijay Limited	63,32,500	62,12,980	62,12,980
iii) Scope Vinimoy Private Limited	35,52,500	34,91,075	34,91,075
iv) Latinia Limited	-	43,47,826	43,47,826
v) DSP Blackrock	23,85,414	25,96,383	22,66,946
	2,14,72,614	**2,56,58,104**	**2,53,28,667**

17 Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
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	16,389.03	16,389.03
Addition/ (Transfer) during the year	-	-
Closing balance	16,389.03	16,389.03
General Reserve		
Balance at the beginning of the year	5,035.33	5,035.33
Addition/ (Transfer) during the year	-	-
Closing balance	5,035.33	5,035.33
Retained earnings		
Balance at the beginning of the year	28,580.67	20,983.31
Transfer from Statement of Profit and Loss	6,509.98	8,770.52
Amount available for appropriation	35,090.65	29,753.83
Less : Appropriation:		
Dividend Distributed	1,144.24	974.73
Dividend Distribution Tax	232.94	198.43
Closing Balance	33,713.47	28,580.67

Notes to Standalone Financial Statements for the Year ended March 31, 2018

17 Other Equity (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Other Comprehensive Income		
Balance at the beginning of the year	3.36	(42.44)
Transfer from Statement of Profit and Loss	(15.84)	45.80
Closing Balance	(12.48)	3.36
Total Other Equity	**55,125.38**	**50,008.42**

18 Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured			
Term Loans			
- From Banks	7,417.50	7,176.99	7,746.99
- From Others	-	75.00	375.00
Car Loans			
- From Banks	1,117.81	928.96	685.85
- From Others	0.77	23.19	63.72
Buyer's/Supplier's Credit	2,942.07	2,145.66	2,228.09
	11,478.15	**10,349.80**	**11,099.64**
Less: Current Maturities of Non Current Borrowings			
Term loans			
- From Banks	3,225.00	2,759.49	2,125.00
- From Others	-	75.00	300.00
Car Loans			
- From Banks	341.47	266.04	295.98
- From others	0.77	11.33	10.84
	3,567.24	**3,111.86**	**2,731.82**
	7,910.91	**7,237.94**	**8,367.82**

Notes

1 Rupee loan of NIL (March 31, 2017 - Rs. 75.00 lakhs, April 1, 2016 Rs. 375.00 lakhs) from others is secured by first pari passu charge on all fixed assets of the company both present and future except those specifically charged and Government Land at Kassar / Kadi. The aforesaid loan was paid in FY'17.

2 Rupee loan of Rs. 1,012.50 lakhs (March 31, 2017 Rs. 1,687.50 lakhs, April 1, 2016 Rs. 2,362.50 lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the company both present and future. The aforesaid loan is repayable in 6 equal quarterly instalments starting from June, 2018.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

18 Borrowings (Contd.)

3 Rupee loan of Rs. 900.00 lakhs (March 31, 2017 Rs. 1350.00 lakhs, April 1, 2016 Rs. 1,800.00 lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the company both present and future. The aforesaid loan is repayable in 8 equal quarterly installments starting from June, 2018.

4 Rupee loan of NIL (March 31, 2017 Rs. 784.49 lakhs, April 1, 2016 Rs. 1,584.49 lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the company both present and future.

5 Rupee loan of Rs. 2,505.00 lakhs (March 31, 2017 Rs. 3,355.00 lakhs, April 1, 2016 Rs. 2,000.00 lakhs) from a Bank and Buyers'/Suppliers' credit of Rs. 2,215.56 lakhs (March 31, 2017 Rs. 2,145.66 lakhs, April 1, 2016 Rs. 2,228.09 lakhs). Equivalent to aggregate of USD 27.25 lakhs and Euro 5.33 lakhs (March 31, 2017 equivalent to aggregate of USD 27.25 lakhs and Euro 5.33 lakhs, April 1, 2016 Equivalent to aggregate of USD 27.25 lakhs and Euro 5.33 lakhs) are secured by first pari passu charges by way of hypothecation of Plant & Machinery and other movable fixed assets of the company situated at Kassar and Kadi plants excluding those exclusively charged to other Banks and second pari passu charge over current assets of the company both present and future. Repayment of aforesaid loan is Rs. 1,100.00 lakhs, Rs. 1,450.00 lakhs, Rs. 1,700.00 lakhs, and Rs. 470.56 lakhs in FY19, FY20 and FY21 respectively.

6 Rupee loan of Rs. 3,000.00 lakhs (March 31, 2017 Nil, April 1, 2016 Nil) from a Bank and Buyers'/Suppliers' credit of Rs. 726.51 lakhs (March 31, 2017 Nil, April 1, 2016 Nil) Equivalent to aggregate of USD 11.10 lakhs (March 31, 2017 Nil, April 1, 2016 Nil) are secured by first pari passu charge by way of hypothecation of all movable fixed assets, both present and future, of the Company at Kassar & Kadi excluding assets those exclusively charged to other Banks. Repayment of aforesaid loan is Rs. 1,000.00 lakhs, Rs. 1,000.00 lakhs, Rs. 1,500.00 lakhs and Rs. 226.51 lakhs in FY19, FY20, FY21 and FY22 respectively.

7 Car loan from Banks and others are secured by hypothecation of cars purchased there under and are repayable in monthly installments over the period of loan.

8 Rate of interest applicable to all term loans is linked with MCLR.

19 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade Deposit	1,871.35	1,643.89	1,483.64
Security Deposit	183.92	215.98	356.07
Others	202.50	202.50	202.50
	2,257.77	**2,062.37**	**2,042.21**
Less:-Current Maturities	27.82	27.82	69.63
	2,229.95	**2,034.55**	**1,972.58**

20 Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Employees Benefits	472.31	438.46	359.58
	472.31	**438.46**	**359.58**

Notes to Standalone Financial Statements for the Year ended March 31, 2018

21 Deferred tax liabilities (net)

A. Movement in deferred tax balances

(₹ in Lakhs)

Particulars	As at March 31, 2017	Recognized in P&L	Recognized in OCI	As at March 31, 2018
Deferred Tax Assets				
Accrued expenses	314.37	53.32	8.50	376.19
Others	(32.56)	40.63	-	8.07
Sub- Total (a)	**281.81**	**93.95**	**8.50**	**384.26**
Deferred Tax Liabilities				
Property, plant and equipments	3,920.15	658.46	-	4,578.61
Others	17.83	-	-	17.83
Sub- Total (b)	**3,937.98**	**658.46**	**-**	**4,596.44**
Net Deferred Tax Liability (b)-(a)	**3,656.17**	**564.51**	**(8.50)**	**4,212.18**

(₹ in Lakhs)

Particulars	As at April 1, 2016	Recognized in P&L	Recognized in OCI	As at March 31, 2017
Deferred Tax Assets				
Accrued expenses	268.49	70.12	(24.24)	314.37
Others	3.60	(36.15)	-	(32.56)
Sub- Total (a)	**272.09**	**33.96**	**(24.24)**	**281.81**
Deferred Tax Liabilities				
Property, plant and equipments	3,390.19	529.95	-	3,920.15
Others	29.28	(11.45)	-	17.84
Sub- Total (b)	**3,419.48**	**518.51**	**-**	**3,937.98**
Net Deferred Tax Liability (b)-(a)	**3,147.39**	**484.54**	**24.24**	**3,656.17**

B. Amounts recognised in profit or loss

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax expense		
Current year	3,037.64	4,298.24
Income tax for earlier year	-	30.45
	3,037.64	**4,328.69**
Deferred tax expense		
Origination and reversal of temporary differences	564.51	484.54
	564.51	**484.54**
Total Tax Expense	**3,602.15**	**4,813.23**

Notes to Standalone Financial Statements for the Year ended March 31, 2018

21 Deferred tax liabilities (net) (Contd.)

C. Amounts recognised in Other Comprehensive Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Deferred Tax Charge/(Credit)		
Remeasurements of defined benefit obligation	8.50	(24.24)
	8.50	**(24.24)**

D. Reconciliation of effective tax rate

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Rate	Amount	Rate	Amount
Accounting profit before tax		10,112.13		13,583.75
Tax using the Company's domestic tax rate	34.61%	3,499.62	34.61%	4,701.06
Tax effect of:				
Non-deductible expenses		66.78		81.73
Changes in estimates related to prior years		-		30.45
Other (including change in Tax Rate)		35.75		-
	35.27%	**3,602.15**	**35.43%**	**4,813.23**

22 Other Non-Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security Deposit	363.78	254.99	144.52
Less: Current Maturities	81.06	21.68	26.36
	282.72	**233.31**	**118.16**

23 Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured Loans:			
Working Capital Facilities from Banks*			
Working Capital Demand Loan	-	-	2,000.00
Cash Credit	9,537.32	7,901.90	4,143.89
Buyer's Import Credit	1,026.14	1,037.39	1,660.09
Unsecured Loans:			
From Body Corporate/Banks (Repayable on demand)	3,088.87	2,500.00	-
Bills Payable	3,735.94	2,971.10	9,021.68
	17,388.27	**14,410.39**	**16,825.66**

*Working Capital Facilities from Banks are secured by:

1 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

2 Second and subservient charge by way of (i) Equitable Mortgage (EM) on all properties, both present and future, and (ii) hypothecation of all movable fixed assets & ranking pari-passu, excluding assets exclusively charged. EM over certain land pieces is yet to be created.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

24 Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Outstanding dues of Micro Enterprises and Small Enterprises#	-	-	-
Outstanding dues other than Micro Enterprises and Small Enterprises	27,567.25	21,151.67	11,256.74
	27,567.25	**21,151.67**	**11,256.74**

The Company has not received any intimation from its suppliers being registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSME). Hence the necessary disclosure required under MSME can not be made.

25 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Maturities of Non Current Borrowings	3,567.24	3,111.86	2,731.82
Current Maturities of Other Non Current Liabilities	27.82	27.82	69.63
Interest Accrued	39.21	38.23	100.53
Capital Creditors	367.51	243.54	915.29
Unclaimed Dividends	36.66	29.39	25.05
	4,038.44	**3,450.84**	**3,842.32**

26 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory Dues	1,304.20	1,705.21	1,471.56
Security Deposit	108.18	52.80	39.31
Advance from Customers	921.57	1,031.45	925.45
Others*	4,594.72	4,623.54	3,954.22
	6,928.67	**7,413.00**	**6,390.54**

*includes accruals to employees and others

27 Short Term Provision

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Employees Benefits	65.08	122.34	141.66
	65.08	**122.34**	**141.66**

28 Current Tax Liabilities (net)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income Tax [Net of Advance March 31, 2018 - Rs. 15,401.28 Lakhs; (March, 31 2017 - Rs. 12,666.09 Lakhs; April, 1 2016 - Rs. 8,270.05 Lakhs)]	575.12	272.68	159.35
	575.12	**272.68**	**159.35**

Notes to Standalone Financial Statements for the Year ended March 31, 2018

29 Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sales of Goods	1,66,980.39	1,87,416.17
Other operating revenue		
Scrap Sales	330.40	212.70
Sundry Balance Written Back	51.11	45.49
Insurance Claim Received	51.58	26.05
Income From Services	774.00	792.00
	1,68,187.48	**1,88,492.41**
Less: Capitalized/ Transferred to CWIP	23.18	-
	1,68,164.30	**1,88,492.41**

30 Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income	1,467.62	1,070.25
Profit on Sale of Property, Plant and Equipments	79.76	67.55
Profit on Sale of Current Investments	195.16	303.47
Net Gain on Foreign Currency Translations and Transactions	130.45	218.94
Miscellaneous Income	125.23	64.24
	1,998.22	**1,724.45**
Less: Capitalized/ Transferred to CWIP	93.66	-
	1,904.56	**1,724.45**

31 Cost of Materials Consumed

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Material Consumed	16,799.78	16,348.53
Packing Material Consumed	3,955.57	3,585.68
	20,755.35	19,934.21
Less: Capitalized/ Transferred to CWIP	177.29	-
	20,578.06	**19,934.21**

Notes to Standalone Financial Statements for the Year ended March 31, 2018

32 Change in Inventories of Finished Goods Work-in-progress and Stock-in-Trade

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Closing Stock		
Finished Goods	6,770.87	5,771.83
Stock-in-Trade	3,008.83	2,724.54
Total Finished Goods	**9,779.70**	**8,496.37**
Work-in-Progress	435.46	307.70
	10,215.16	**8,804.07**
Less: Opening Stock		
Finished Goods*	5,894.67	5,555.07
Stock-in-Trade	2,724.54	3,275.33
Total Finished Goods	**8,619.21**	**8,830.40**
Work-in-Progress	307.70	289.27
	8,926.91	**9,119.67**
(Increase)/ Decrease in Stock	(1,288.26)	315.60
Add / (Less): (Increase) Decrease in Excise duty on Stock	925.85	(157.41)
	(2,214.11)	**473.01**

* includes transfer on commissioning of New product line on December 7, 2017 amounting to Rs. 122.84 Lakhs (Previous Year; Nil)

33 Employee Benefit Expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salary, Wages, Bonus etc.	14,115.91	12,796.77
Contribution to Provident Fund and Other Funds	694.97	731.43
Workmen & Staff Welfare	542.47	635.51
	15,353.35	**14,163.71**
Less: Capitalized/ Transferred to CWIP	24.02	-
	15,329.33	**14,163.71**

34 Finance Costs

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest	1,703.14	1,567.37
Other Borrowing Costs	101.44	84.32
	1,804.58	1,651.69
Less: Capitalized/ Transferred to CWIP	38.67	-
	1,765.91	**1,651.69**

Notes to Standalone Financial Statements for the Year ended March 31, 2018

35 Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Stores and Spare Parts Consumed	2,618.41	2,988.93
Power & Fuel	16,416.26	14,403.12
Repairs and Maintenance:		
Buildings	138.87	198.01
Plant & Machinery	377.16	345.93
Others	223.68	214.62
Rent	973.19	832.47
Rates & Taxes	115.34	338.06
Insurance	178.42	216.14
Travelling and Conveyance	2,310.84	2,001.42
Freight Outward and Handling Charges	4,244.86	5,563.61
Advertisement and Sales Promotion	5,762.97	6,622.68
Commission to Agents	430.30	711.79
CSR Expenses	192.75	135.93
Provision for Doubtful Debts and Recoverables	119.65	49.66
Sundry Balances Written Off	15.54	-
Loss on Sale of Property, Plant and Equipments	83.33	15.21
Property, Plant and Equipments Discarded /Written off	-	111.88
Movement in Fair Value of Investments	53.41	33.07
Other Expenses	2,360.16	2,173.44
	36,615.14	**36,955.97**
Less: Capitalized/ Transferred to CWIP	151.61	-
	36,463.53	**36,955.97**

36 Earning per share

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit for the year	6,509.98	8,770.52
Weighted average number of equity shares of Rs. 2/- each	4,23,79,426	4,23,79,426
EPS - Basic and Diluted (Per share in Rs.)	15.36	20.70

Notes to Standalone Financial Statements for the Year ended March 31, 2018

37 Contingent liabilities, contingent assets and commitments

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A. (i) Contingent liabilities (not provided for) in respect of:			
1. Claim and other demands against the Company not acknowledged as debts.	162.92	511.99	389.84
2. Sales Tax and purchase tax demands, among others against which the Company has preferred appeals.	296.15	323.92	305.47
3. 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.	36.60	35.85	44.66
4. Disputed income tax and wealth tax demand (excluding penalty if any)	8.95	-	63.36
5. a) On the pending matter of LADT / Entry Tax by the State of Haryana, the Hon'ble Supreme Court of India has upheld the constitutional validity of levy of the said tax but left certain issues to be decided by the High Court of Punjab and Haryana and at the same time allowed all petitioners including the Company to initiate petitions before the said High Court giving factual background and raising specific issues in the matter. Till such time the said High Court disposes of / decides in the matter, the liability on this account, if any remains indeterminate. In view of this no provision on this account is considered necessary by the Management.	810.78	795.39	731.52
b) Entry Tax matter pending before Hon'ble High Court of Calcutta.	38.88	38.88	28.08
6. Demand notice from ESIC	15.41	15.41	15.41
B. Outstanding Corporate Guarantee to banks in respect of various fund/non fund based facilities extended to subsidiary/other body corporates.	-	-	2,033.62

C. Others

(i) During the financial year 2012-13, a demand of Rs. 925.65 lakhs (including interest of Rs. 97.41 lakhs) 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 Rs 1,606.91 Lakhs (March 31, 2017 Rs. 1,481.22 Lakhs) [including interest of Rs 778.67 Lakhs (March 31, 2017 - Rs. 652.98 lakhs)] as on March 31, 2018. 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 Rs 118. lakhs. On August 4, 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.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

37 Contingent liabilities, contingent assets and commitments (Contd.)

(ii) Others Financial Liabilities includes encashment of bank guarantee in earlier years provided by a 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 Calcutta. pending final decision, no adjustment has been carried out in accounts.

(iii) The company has procured certain capital goods under EPCG scheme at concessional rate of duty. As on March 31, 2018 the company is contingently liable to pay differential custom duty of Rs. 121.74 Lakhs (March 31, 2017 - Rs.265.34 Lakhs, April 1, 2016 Rs. 681.17 Lakhs) on such procurement. In view of past export performance and future projections, the management is hopeful of completing the export obligation within stipulated time, and expect no cash outflow on this account.

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
D. Commitments			
Estimated amount of Contracts remaining to be executed on Capital Account not provided for [Net of Advances]	115.47	2,593.16	311.82

38 Interest in Joint Venture Company (JVC)

a) Company's contribution in the joint venture (by the name SKPL Ceramics. Pvt. Ltd. (Formerly Somany Keraben Pvt Ltd.), a 50:50 Joint Venture Company) till June 1, 2017 is Rs. 89.30 lakhs (Previous year Rs 89.30 lakhs) towards share capital of Joint Venture entity. The company is in process of striking off.

Pursuant to Ind AS 28 "Investment in Associate and Joint Venture" the relevant information relating to Joint Venture Company (JVC) are given below:

Name of the JVC	SKPL Ceramics. Pvt. Ltd. (Formerly Somany Keraben Pvt Ltd.)	
Principal Place of Business and Country of Incorporation	India	India
Proportion of Ownership Interest	50%	50%

b) The Company's share in the aggregate amounts of each of the assets, liabilities, income, expense, contingent liabilities and capital commitments in the above company, as per its audited financial statements is as under:

(₹ in Lakhs)

Proportion of Company's Interest in JVC	March 31, 2017 (Audited)	April 1, 2016 (Audited)
Assets		
Cash and Cash Equivalents	1.00	1.18
Liabilities		
Current liabilities	0.87	0.07
Other Income		
Miscellaneous income	-	10.03
Expenses		
Administrative and other expenses	1.11	11.53
Contingent Liabilities and Capital Commitments	-	-

Notes to Standalone Financial Statements for the Year ended March 31, 2018

39 Loans and Advances pursuant to Regulation 34(3) and 53(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:

(₹ in Lakhs)

Particulars	Outstanding as at March 31, 2018	Maximum Amount Outstanding during the year ended March 31, 2018	Outstanding as at March 31, 2017	Maximum Amount Outstanding during the previous year ended March 31, 2017
Trade Deposits				
Commander Vitrified Pvt. Ltd.	253.55	510.55	510.55	510.55
Vintage Tiles Pvt. Ltd.	526.00	526.00	526.00	526.00
Vicon Ceramic Pvt. Ltd.	326.50	326.50	326.50	326.50
Amora Tiles Pvt. Ltd.	-	294.60	294.60	294.60
Somany Sanitaryware Pvt. Ltd.	700.00	700.00	600.00	600.00
Somany Fine Vitrified Pvt Ltd.	239.19	239.19	-	-
Acer Granito Pvt. Ltd.	450.00	450.00	450.00	450.00
Somany Excel Vitrifited Pvt. Ltd.	-	-	-	15.00
Inter Corporate Deposits				
Amora Ceramics Pvt. Ltd.	286.64	286.64	-	-
Sudha Somany Ceramics Pvt. Ltd.	102.00	102.00	-	-

40 Foreign exchange derivatives and exposures outstanding at the year-end:

Name		Amount (Foreign Currency in Lakhs)	Amount (Equivalent Rs. in Lakhs)	Amount (Foreign Currency in Lakhs)	Amount (Equivalent Rs. in Lakhs)	Amount (Foreign Currency in Lakhs)	Amount (Equivalent Rs. in Lakhs)
		March 31, 2018		March 31, 2017		April 1, 2017	
Open Exposures							
Receivables	USD	9.80	635.32	13.16	849.55	3.98	262.63
Payables	USD	57.29	3,748.65	55.51	3,611.92	49.37	3,286.25
Payables	EURO	7.40	600.33	7.13	497.74	8.37	633.90

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

a) Loan given for business purposes

(₹ in Lakhs)

Name	Terms of repayment	For the year ended	
		March 31, 2018	March 31, 2017
Sudha Somany Ceramics Pvt. Ltd.	After one year	102.00	-
Amora Ceramics Pvt. Ltd.	After one year	250.00	-
Amora Ceramics Pvt. Ltd.	Within one year	36.64	-
Zealous Financial Services Pvt. Ltd.	Within one year	500.00	500.00
Tinna Rubber & Infrastructure Ltd.	Within one year	100.00	100.00

The above loans carries interest rate in the range of 10.5% to 14.5%.

b) Details of investments made is given in Note No. 4.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

42 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

(₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Contribution to Provident Fund	544.12	504.78

Contributions to Provident and other Funds' of the Statement of Profit and Loss includes Rs. 544.12 lakhs (Previous year Rs. 504.78 lakhs) towards contribution to Provident Fund [including Rs. 190.45 lakhs (Previous year Rs. 171.11 lakhs) towards Somany Provident Fund, a multi-employer plan].

(ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the company.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Movement in net defined benefit (asset)/liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset)/liability and its components:

(₹ in Lakhs)

Particulars	March 31, 2018			March 31, 2017		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at April 1	1,254.76	1,286.83	(32.06)	1,122.63	1,074.51	48.12
Included in profit or loss						
Current service cost	127.55	-	127.55	222.80	-	222.80
Interest cost / (income)	92.23	(94.58)	(2.36)	89.81	(85.96)	3.85
Past Service Cost including curtailment Gains/(Losses)	25.67	-	25.67	-	-	-
	245.44	**(94.58)**	**150.86**	**312.61**	**(85.96)**	**226.65**
Included in OCI						
Remeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-

Notes to Standalone Financial Statements for the Year ended March 31, 2018

42 Employee benefits (Contd.)

(₹ in Lakhs)

Particulars	March 31, 2018			March 31, 2017		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
- financial assumptions	(40.56)	-	(40.56)	63.60	-	63.60
- experience adjustment	69.30	-	69.30	(68.90)	-	(68.90)
- on plan assets	-	(4.40)	(4.40)	-	(64.74)	(64.74)
	28.74	**(4.40)**	**24.34**	**(5.30)**	**(64.74)**	**(70.04)**
Other						
Contributions paid by the employer	-	-	-	-	(135.00)	(135.00)
Benefits paid	(163.79)	-	(163.79)	(175.18)	73.38	(101.80)
	(163.79)	**-**	**(163.79)**	**(175.18)**	**(61.62)**	**(236.80)**
Balance as at March 31	**1,365.16**	**1,385.81**	**(20.65)**	**1,254.76**	**1,286.83**	**(32.06)**

B. Plan assets

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Fund managed by insurer	100%	100%	100%
	100%	**100%**	**100%**

C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	March 31, 2018	March 31, 2017
Discount rate	7.71%	7.35%
Expected rate of future salary increase	5.00%	5.00%
Mortality	100% of IALM (2006 - 08)	

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The company expects to pay Rs. 141.49 Lakhs (Previous Year Rs. 132.42 Lakhs) in contribution to its defined benefit plans in the next year.

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(53.55)	57.63	(50.15)	54.12
Expected rate of future salary increase (0.5% movement)	56.06	(52.76)	55.10	(51.47)

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

42 Employee benefits (Contd.)

E. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow

A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk – Assets and liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.

43 Related parties

A. Related parties and their relationships

i Key Managerial Personnel (KMP) and their relatives

Name	Relationship
Mr. Shreekant Somany	Chairman & Managing Director
Mr. Abhishek Somany	Managing Director (Son of Chairman & Managing Director)
Mrs. Anjana Somany	Whole time Director (Wife of Chairman & Managing Director) (w.e.f. May 21, 2016)
Mr. G.G. Trivedi	Additional Director w.e.f. September 1, 2017 (CEO upto August 31, 2017)
Mr. T.R. Maheshwari^	CEO w.e.f. January 30, 2018 (Deputy CEO and CFO upto January 29, 2018)
Mr. Saikat Mukhopadhyay^	CFO w.e.f January 30, 2018
Mr. Ambrish Julka^	DGM (Legal) & Company Secretary
Mrs. Minal Somany	Wife of Managing Director
Mr. G. L. Sultania	Non- Executive Director
Mr. R.K. Daga	Non- Executive Director
Mr. Ravindra Nath	Non- Executive Director
Mr. Salil Singhal	Non- Executive Director
Mr. Y. K. Alagh	Non- Executive Director
Mr. Narayan Anand	Non- Executive Director (upto April 12, 2017)

^ KMP under the Companies Act, 2013

ii Subsidiary Company

SR Continental Limited
Somany Global Limited
Amora Tiles Private Limited
Somany Fine Vitrified Private Limited
Somany Sanitaryware Private Limited
Somany Excel Vitrified Private Limited
Vintage Tiles Private Limited
Commander Vitrified Private Limited

Notes to Standalone Financial Statements for the Year ended March 31, 2018

43 Related parties (Contd.)

Vicon Ceramic Private Limited
Acer Granito Private Limited
Sudha Somany Ceramics Private Limited (Formerly Sudha Ceramics Private Limited) (w.e.f. November 9, 2016)
Amora Ceramics Private Limited (w.e.f. March 30, 2018)

iii Associate (Joint Venture upto June 01, 2017)

SKPL Ceramics Private Limited (Formerly Somany Keraben Private Limited) upto June 1, 2017*

*The Company has terminated the Joint Venture Agreement with Keraben Grupo S.A. w.e.f. June 1, 2017. Now the Company is under the process of Strike Off.

iv. Enterprise over which Company exercise significant influence and with whom transactions have taken place during the year:

H. L. Somany Foundation

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

Schablona India Limited (w.e.f. January 10, 2018)
Vidres India Ceramics Private Limited
Yogi Cerachem Private Limited
Ishiv India Solutions Private Limited

vi. Other related parties with which Company has transactions:

Name	
Biba Apparels Private Limted	Private company in which director is a director
Ashiana Housing Limited	Public company in which director is a director
Shree Cement Limited	Public 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

B. Transactions with the above in the ordinary course of business (₹ in Lakhs)

Nature of Transactions	Key Managerial Personnel For the year ended	
	March 31, 2018	March 31, 2017
a) Payments to Key Managerial Personnel and their relatives		
Mr. Shreekant Somany		
- Remuneration	340.97	262.84
- Commission	146.14	386.03
Outstanding at the year-end:		
- Commission Payable	146.14	386.03

Notes to Standalone Financial Statements for the Year ended March 31, 2018

43 Related parties (Contd.)

B. Transactions with the above in the ordinary course of business

(₹ in Lakhs)

Nature of Transactions	Key Managerial Personnel For the year ended	
	March 31, 2018	March 31, 2017
Mr. Abhishek Somany		
- Remuneration	294.78	244.65
- Commission	192.33	386.03
- Rent Paid	8.92	8.65
Outstanding at the year-end:		
- Commission Payable	192.33	386.03
Mrs. Anjana Somany		
- Remuneration	26.99	23.19
- Commission	-	0.68
- Rent Paid	3.05	2.90
Outstanding at the year-end:		
- Remuneration Payable	-	-
Mrs. Minal Somany		
- Remuneration	27.15	27.15
- Rent Paid	17.32	30.08
Outstanding at the year-end:		
- Salary Payable	1.31	-
Mr. G.G. Trivedi		
- Remuneration	197.80	123.17
- Consultancy Fees	29.50	-
- Commission	2.90	-
- Sitting Fees	0.45	-
Outstanding at the year-end:		
- Commission Payable	2.61	-
- Consultancy Fee Payable	-	-
Mr. T.R. Maheshwari		
- Remuneration	115.64	93.21
Outstanding at the year-end:		
- Salary Payable	3.50	-
- Advance Receivable	30.00	30.00
Mr. Saikat Mukhopadhyay		
- Remuneration	18.18	-
Outstanding at the year-end:		
- Salary Payable	5.82	-
Mr. Ambrish Julka		
- Remuneration	25.78	21.65
Outstanding at the year-end:		
- Salary Payable	1.06	-

Notes to Standalone Financial Statements for the Year ended March 31, 2018

43 Related parties (Contd.)

B. Transactions with the above in the ordinary course of business (₹ in Lakhs)

Nature of Transactions	Key Managerial Personnel For the year ended	
	March 31, 2018	March 31, 2017
Non- Executive Directors		
Mr. G. L. Sultania		
- Commission	5.00	5.00
- Sitting Fees	1.35	1.10
Outstanding at the year-end:		
- Commission Payable	4.50	4.50
Mr. Siddharath Bindra		
- Commission	5.00	5.00
- Sitting Fees	1.20	0.70
Outstanding at the year-end:		
- Commission Payable	4.50	4.50
Mr. R.K. Daga		
- Commission	5.00	5.00
- Sitting Fees	1.40	1.15
Outstanding at the year-end:		
- Commission Payable	4.50	4.50
Mr. Ravindra Nath		
- Commission	5.00	5.00
- Sitting Fees	0.55	0.85
Outstanding at the year-end:		
- Commission Payable	4.50	4.50
Mr. Salil Singhal		
- Commission	5.00	5.00
- Sitting Fees	1.10	0.85
Outstanding at the year-end:		
- Commission Payable	4.50	4.50
Mr. Y. K. Alagh		
- Commission	5.00	5.00
- Sitting Fees	0.20	0.85
Outstanding at the year-end:		
- Commission Payable	4.50	4.50
Mr. Narayan Anand		
- Commission	-	5.00
- Sitting Fees	-	0.45
Outstanding at the year-end:		
- Commission Payable	-	4.50
Summary of payment made to KMP		
Short term employee benefits*	1,267.03	1,568.60
Post employment benefits	118.73	-
Other Payments	58.79	41.63

*excludes provision in respect of gratuity and compensated absenses as the same is determined on an actuarial basis for company as whole.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

43 Related parties (Contd.)

B. Transactions with the above in the ordinary course of business

(₹ in Lakhs)

Nature of Transactions	Key Managerial Personnel For the year ended	
	March 31, 2018	March 31, 2017
b) With Subsidiary Companies are as under		
SR Continental Limited		
- Rent received	-	0.60
- Rent paid	0.87	1.08
- Payment made on their behalf	1.00	3.11
Outstanding at the year end:		
- Trade payable	0.78	-
- Co-surety taken	12.50	12.50
Somany Global Limited		
- Payment made on their behalf	2.11	0.77
Amora Tiles Private Limited		
- Purchase of goods	9,366.39	10,315.42
- Sale of goods	21.02	264.86
- Technical services provided	180.00	180.00
- Interest received	32.35	35.35
- Deposit received back	294.60	-
Outstanding at the year end:		
- Trade payable	278.25	567.52
- Trade receivable	-	112.44
- Deposit	-	294.60
Somany Sanitaryware Private Limited		
- Investment made	-	360.64
- Purchase of goods	3,478.20	1,929.65
- Sales of goods	204.46	68.73
- Interest received	76.34	37.20
- Deposit Given	100.00	500.00
Outstanding at the year-end:		
- Trade payable	505.37	75.49
- Trade receivable	188.83	46.95
- Deposit recoverable	700.00	600.00
- Interest receivable	-	33.48
Somany Fine Vitrified Private Limited		
- Purchase of goods	9,620.70	11,667.78
- Interest received	0.21	-
- Deposit given	239.19	-
Outstanding at the year-end:		
- Trade payable	2,661.13	2,032.88
- Deposit recoverable	239.19	-

Notes to Standalone Financial Statements for the Year ended March 31, 2018

43 Related parties (Contd.)

B. Transactions with the above in the ordinary course of business

(₹ in Lakhs)

Nature of Transactions	Key Managerial Personnel For the year ended	
	March 31, 2018	March 31, 2017
Somany Excel Vitrified Pvt Ltd		
- Deposit given	-	15.00
- Interest received	-	0.14
- Deposit received back	-	15.00
- Payment made to their behalf	-	2.04
Outstanding at the year-end:		
- Advance recoverable	2.51	2.51
Vintage Tiles Private Limited		
- Purchase of goods	10,651.68	10,293.82
- Sales of goods	-	30.04
- Technical services provided	180.00	151.20
- Interest received	63.12	35.01
- Deposit given	-	300.00
Outstanding at the year-end:		
- Trade receivable	385.82	56.64
- Deposit recoverable	526.00	526.00
Commander Vitrified Private Limited		
- Purchase of goods	5,757.54	12,716.58
- Sales of goods	8.57	190.81
- Technical services provided	187.20	187.20
- Interest received	28.22	22.56
- Deposit given	93.00	675.00
- Deposit received back	350.00	325.00
Outstanding at the year-end:		
- Trade payable	(355.12)	19.37
- Deposit recoverable	253.55	510.55
- Interest receivable	-	20.30
Vicon Ceramic Private Limited		
- Purchase of goods	5,603.47	6,193.70
- Technical services provided	46.80	93.60
- Interest received	39.18	39.18
Outstanding at the year-end:		
- Trade payable	170.44	339.42
- Deposit recoverable	326.50	326.50
Acer Granito Private Limited		
- Purchase of goods	9,849.73	15,860.43
- Technical services provided	180.00	180.00
- Interest received	36.25	36.08
- Deposit given	150.00	300.00
- Deposit received back	150.00	150.00

Notes to Standalone Financial Statements for the Year ended March 31, 2018

43 Related parties (Contd.)

B. Transactions with the above in the ordinary course of business

(₹ in Lakhs)

Nature of Transactions	Key Managerial Personnel For the year ended	
	March 31, 2018	March 31, 2017
Outstanding at the year-end:		
- Trade payable	1,811.07	1,588.84
- Deposit recoverable	450.00	450.00
Sudha Somany Ceramics Private Limited		
- Investment made	110.27	250.80
- Unsecured loan given	102.00	-
- Interest received	1.32	-
Outstanding at the year-end:		
- Interest receivable	1.19	-
- Unsecured loan receivable	102.00	-
Amora Ceramics Pvt. Ltd.		
- Interest received	5.66	-
- Deposit given	286.64	-
- Investment made	213.36	-
Outstanding at the year-end:		
- Unsecured loans	286.64	-
- Interest recoverable	5.09	-
c) **SKPL Ceramics Private Limited (Formerly Somany Keraben Pvt. Ltd.)**		
- Payment made on their behalf	0.14	0.16
d) **With Other Related Parties are as under:-**		
Schablona India Limited		
- Purchase of goods	57.41	-
- Sales of goods	338.47	-
- Rent received	3.66	-
Outstanding at the year-end:		
- Sundry payables	14.03	-
- Sundry receivable	654.30	-
Biba Apparels Private Limited		
- Sale of goods	7.31	24.10
Outstanding at the year-end:		
- Trade receivable	0.20	0.26
Aashiana Housing Limited		
- Sale of goods	-	327.83
Outstanding at the year-end:		
- Trade receivable	-	35.06
Shree Cement Limited		
- Purchase of goods	34.26	23.80
Wolkem India Limited		
- Purchase of goods	11.61	15.56

Notes to Standalone Financial Statements for the Year ended March 31, 2018

43 Related parties (Contd.)

B. Transactions with the above in the ordinary course of business

(₹ in Lakhs)

Nature of Transactions	Key Managerial Personnel For the year ended	
	March 31, 2018	March 31, 2017
G.L. Sultania & Co.		
- Consultancy fees	-	6.00
Yogi Cerachem Private Limited		
- Purchase of goods	33.39	67.58
Outstanding at the year-end:		
- Trade payable	1.77	7.75
Vidres India Ceramics Private Limited		
- Purchase of goods	4,100.41	5,717.19
Outstanding at the year-end:		
- Trade payable	155.38	538.94
H. L. Somany Foundation		
- Contribution towards CSR Activities	180.52	265.00
- Payments made on their behalf	1.39	0.80
Ishiv India Solution Private Limited		
- Purchase of goods	184.44	543.20
- Services received	23.37	7.32
Outstanding at the year-end:		
- Trade payable	8.89	44.95

44 Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets						
Investments						
Current	11,315.83	-	11,600.77	-	8,877.34	-
Loans						
Non current	-	2,483.05	-	1,932.65	-	1,432.65
Current	-	1,279.43	-	1,400.00	-	1,254.26
Trade receivables	-	47,530.03	-	40,525.03	-	31,208.91
Cash and cash equivalents	-	139.92	-	785.37	-	1,399.90
Bank balances other than above	-	304.91	-	38.20	-	69.41
Others						
Non current	-	740.36	-	801.98	-	787.40
Current	-	408.91	-	526.03	-	257.40
	11,315.83	**52,886.61**	**11,600.77**	**46,009.26**	**8,877.34**	**36,409.93**

Notes to Standalone Financial Statements for the Year ended March 31, 2018

44 Financial instruments – Fair values and risk management (Contd.)

A. Financial instruments by category

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial liabilities						
Borrowings						
Non current	-	7,910.91	-	7,237.94	-	8,367.82
Current	-	17,388.27	-	14,410.39	-	16,825.66
Other financial liabilities						
Non Current	-	2,229.95	-	2,034.55	-	1,972.58
Current	-	4,038.44	-	3,450.84	-	3,842.32
Trade payables	-	27,567.25	-	21,151.68	-	11,256.74
	-	**59,134.82**	**-**	**48,285.40**	**-**	**42,265.12**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Lakhs)

Particulars	As at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	2,001.59	9,314.24	-	11,315.83
Total financial assets	**2,001.59**	**9,314.24**	**-**	**11,315.83**

(₹ in Lakhs)

Particulars	As at March 31, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	252.62	11,348.15	-	11,600.77
Total financial assets	**252.62**	**11,348.15**	**-**	**11,600.77**

Notes to Standalone Financial Statements for the Year ended March 31, 2018

44 Financial instruments – Fair values and risk management (Contd.)

(₹ in Lakhs)

Particulars	As at April 1, 2016			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	3,106.21	5,771.13	-	8,877.34
Total financial assets	**3,106.21**	**5,771.13**	**-**	**8,877.34**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

C. Financial assets and liabilities measured at amortised cost

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Loans						
Non Current	2,483.05	2,483.05	1,932.65	1,932.65	1,432.65	1,432.65
Current	1,279.43	1,279.43	1,400.00	1,400.00	1,254.26	1,254.26
Trade receivables	47,530.03	47,530.03	40,525.03	40,525.03	31,208.91	31,208.91
Cash and cash equivalents	139.92	139.92	785.37	785.37	1,399.90	1,399.90
Bank balances other than above	304.91	304.91	38.20	38.20	69.41	69.41
Others						
Non Current	740.36	740.36	801.98	801.98	787.40	787.40
Current	408.91	408.91	526.03	526.03	257.40	257.40
	52,886.61	**52,886.61**	**46,009.26**	**46,009.26**	**36,409.93**	**36,409.93**
Financial liabilities						
Borrowings						
Non current	7,910.91	7,910.91	7,237.94	7,237.94	8,367.82	8,367.82
Current	17,388.27	17,388.27	14,410.39	14,410.39	16,825.66	16,825.66
Other Financial Liability						
Non current	2,229.95	2,229.95	2,034.55	2,034.55	1,972.58	1,972.58
Current	4,038.44	4,038.44	3,450.84	3,450.84	3,842.32	3,842.32
Trade payables	27,567.25	27,567.25	21,151.68	21,151.68	11,256.74	11,256.74
	59,134.82	**59,134.82**	**48,285.40**	**48,285.40**	**42,265.12**	**42,265.12**

The management considers that the carrying amount of financial assets and financial liabilities carried as amortised cost approximates their fair value.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

44 Financial instruments – Fair values and risk management (Contd.)

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to control risks through defined framework.

The Company's risk management policy is established to identify and analyse the risks faced by the Company, to set appropriate controls. Risk management policy is reviewed by the board annually to reflect changes in market conditions and the Company's activities.

The Company's Audit Committee oversees compliance with the Company's risk management policy, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Financial loss to the Company, arising, if a customer or counterparty to a financial instrument fails to meet its contractual obligations principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk closely both in domestic and export market.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank reference checks are also done. Sales credit limit are set up for each customer and reviewed periodically. "

The Company creates allowances for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The gross carrying amount of trade receivables is Rs 38,756.66 Lakhs (31 March 2017 – Rs. 40,741.28 Lakhs, 1 April 2016 – Rs.31,375.50 Lakhs).

Reconciliation of loss allowance provision – Trade receivables (₹ in Lakhs)

Name	For the year ended	
	March 31, 2018	March 31, 2017
Opening balance	216.25	166.59
Changes in loss allowance	99.43	49.66
Closing balance	**315.68**	**216.25**

Notes to Standalone Financial Statements for the Year ended March 31, 2018

44 Financial instruments – Fair values and risk management (Contd.)

Investments

Company invests in Bonds, Debentures, Liquid Mutual Funds etc., in accordance with the Company's Investment Policy that includes parameters of safety, liquidity and post tax returns. Company avoids the concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position as well as held to maturity policy. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis. Based on historical experience and credit profiles of counterparties, the Company does not expect any significant risk of default.

iii. Liquidity risk

Liquidity risk is the risk that the Company may face difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, sufficient liquidity to meet its obligations, under both normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

(₹ in Lakhs)

Particulars	Carrying Amount March 31, 2018	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Borrowings	11,478.15	-	3,567.24	7,910.91	-
Other non-current financial liabilities	2,257.77	-	27.82	2,229.95	-
Short term borrowings	17,388.27	9,537.32	7,850.95	-	-
Trade payables	27,567.25	-	27,567.25	-	-
Other current financial liabilities	443.38	-	443.38	-	-
Total liabilities	**59,134.82**	**9,537.32**	**39,456.64**	**10,140.86**	**-**

(₹ in Lakhs)

Particulars	Carrying Amount March 31, 2017	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Borrowings	10,349.80	-	3,111.86	7,237.94	-
Other non-current financial liabilities	2,062.37	-	27.82	2,034.55	-
Short term borrowings	14,410.39	7,901.90	6,508.49	-	-
Trade payables	21,151.67	-	21,151.67	-	-
Other current financial liabilities	311.16	-	311.16	-	-
Total liabilities	**48,285.39**	**7,901.90**	**31,111.00**	**9,272.49**	**-**

Notes to Standalone Financial Statements for the Year ended March 31, 2018

44 Financial instruments – Fair values and risk management (Contd.)

(₹ in Lakhs)

Particulars	Carrying Amount April 1, 2016	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Borrowings	11,099.64	-	2,731.82	8,367.82	-
Other non-current financial liabilities	2,042.21	-	27.82	2,014.39	-
Short term borrowings	16,825.66	25,295.56	10,681.77	-	-
Trade payables	11,256.74	-	11,256.74	-	-
Other current financial liabilities	1,040.87	-	1,040.87	-	-
Total liabilities	**42,265.12**	**25,295.56**	**25,739.02**	**10,382.21**	**-**

iv. Market risk

Risk on account of changes in foreign exchange rates, interest rates etc. that may affect the Company's income or the value of its holdings of financial instruments. The objective of market risk is to optimize the return by managing and controlling the market risk exposures within acceptable parameters.

v. Currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EURO. The risk is measured through a forecast of highly probable foreign currency cash flows.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows (Foreign currency in lakhs).

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	USD	EUR	USD	EUR	USD	EUR
Trade receivables	9.80	-	13.16		3.98	
Payables	57.29	7.40	55.51	7.13	49.37	8.37
Net statement of financial position exposure	47.49	7.40	42.35	7.13	45.39	8.37

The following significant exchange rates have been applied

Particulars	Average Rates		Year end spot rates		
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	April 1, 2016
USD 1	64.44	67.08	65.43	64.97	65.93
EUR 1	75.42	73.60	81.12	69.85	75.73

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Rs. against USD & EURO at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

44 Financial instruments – Fair values and risk management (Contd.)

(₹ in Lakhs)

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2018				
USD (10% movement)	310.73	(310.73)	202.15	(202.15)
EUR (10% movement)	51.69	(51.69)	33.63	(33.63)

(₹ in Lakhs)

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2017				
USD (10% movement)	275.15	(275.15)	179.92	(179.92)
EUR (10% movement)	49.80	(49.80)	32.57	(32.57)

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2018 and March 31, 2017, the Company's borrowings at variable rate were denominated in Rupees.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(₹ in Lakhs)

Particulars	Nominal Amount		
	March 31, 2018	March 31, 2017	April 1, 2016
Fixed-rate instruments			
Financial assets	13,814.50	15,848.59	9,646.80
Financial liabilities	5,989.93	5,096.04	2,233.21
	19,804.43	**20,944.63**	**11,880.01**
Variable-rate instruments			
Financial assets	-	-	-
Financial liabilities	24,747.84	21,308.04	27,175.74
	24,747.84	**21,308.04**	**27,175.74**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in Lakhs)

Particulars	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2018				
Variable-rate instruments				
Financial liabilities	(123.74)	123.74	(80.44)	80.44
Cash flow sensitivity	**(123.74)**	**123.74**	**(80.44)**	**80.44**

Notes to Standalone Financial Statements for the Year ended March 31, 2018

44 Financial instruments – Fair values and risk management (Contd.)

(₹ in Lakhs)

Particulars	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2017				
Variable-rate instruments				
Financial liabilities	(106.54)	106.54	(69.26)	69.26
Cash flow sensitivity	**(106.54)**	**106.54**	**(69.26)**	**69.26**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

45 Payment to Auditors

(₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Statutory audit fee	10.50	9.25
Tax audit fee	2.50	2.00
Certification fee	6.84	1.25
Other services	12.90	13.96
Reimbursement of expenses	1.21	0.12
Total	**33.95**	**26.58**

46 The Company has taken warehouse locations on operating lease. The operating lease arrangements are renewable on periodic basis. Some of these agreements have price escalation clauses.

Obligations on long term, non-cancellable operating leases

(₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Not later than one year	136.88	19.22
Later than one year and not later than five years	461.17	277.95
Later than five years	-	-

47 Exceptional item of Rs. 440.41 Lakhs (Previous Year Rs. 406.25 lakhs) includes Rs. 245.70 Lakhs (Previous Year Rs. 406.25 Lakhs) on account of write off of certain plant and machineries and Rs. 194.71 Lakhs (Previous Year Nil) on account of settlement of demand of wage raise during the year.

48 Out of Rs. 11,999.97 lakhs raised through qualified institutions placement of equity shares in December, 2015, the Company has so far utilized Rs. 1,849.97 lakhs (previous year Rs. 1,849.97 lakhs), including issue expenses of Rs. 307.34 lakhs, for the purpose the fund were so raised and balance Rs. 10,150.00 lakhs (previous year Rs. 10,150.00 lakhs) has been temporarily invested mainly in the debt instruments/ funds.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

49 Events after the Balance Sheet Date

Dividend declared and paid by the Company

The Board of directors has recommended dividend of Rs. 2.70 (Previous Year Rs. 2.70) per equity share aggregating Rs. 1,379.45 Lakhs (Previous Year Rs. 1,377.19 Lakhs) including corporate dividend tax of Rs. 235.20 Lakhs (Previous Year Rs. 232.94 Lakhs) for the financial year ended March 31, 2018 and same is subject to approval of shareholders at the ensuing Annual General Meeting.

50 Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. "Ceramic Tiles and Allied products" and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

51 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarises the capital of the Company.

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Equity Share Capital	847.59	847.59	847.59
Other Equity	55,125.38	50,008.42	42,365.26
Total Equity	**55,972.97**	**50,856.01**	**43,212.85**
Non-Current Borrowings	7,910.91	7,237.94	8,367.82
Current maturities of Non-Current Borrowings	3,567.24	3,111.86	2,731.82
Current Borrowings	17,388.27	14,410.39	16,825.66
Total Debts	**28,866.42**	**24,760.19**	**27,925.30**

52 Changes in Liabilities and Asset from Financing Activities are as under:

(₹ in Lakhs)

Particulars	As at March 31, 2018	Cash Flow	Non- Cash Changes		As at March 31, 2017
			Foreign Exchange Movement	Others	
Non Current borrowings	11,478.15	1,105.05	23.30	-	10,349.80
Current borrowings	17,388.27	2,952.70	25.18	-	14,410.39
Equity Share Capital	847.59	-	-	-	847.59
Security Premium Reserve	16,389.03	-	-	-	16,389.03
Total liabilities from financing activities	**46,103.04**	**4,057.75**	**48.48**	**-**	**41,996.81**

Notes to Standalone Financial Statements for the Year ended March 31, 2018

53 First Time Adoption of Ind AS

As stated in note 2, these are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS statement of financial position at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Ind AS optional exemptions

(i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

(ii) Effect of changes in exchange rate

In respect of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period, the Company has elected to recognise exchange differences on translation of such long term foreign currency monetary items in line with its Previous GAAP accounting policy.

In respect of long term foreign currency monetary items recognised in the financial statements beginning with the first Ind AS financial reporting period, exchange differences are recognised in the statement of profit and loss.

B. Ind AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

(ii) Classification and measurement of financial assets and financial liabilities

Ind AS 101 requires an entity to assess classification and measurement of financial assets and financial liabilities on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

53 First Time Adoption of Ind AS (Contd.)

Reconciliation of equity

(₹ in Lakhs)

Particulars	Notes to first-time adoption	As at April 1, 2016			As at March 31, 2017		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
Non-current Assets							
Property, Plant and Equipment	5	30,545.77	-	30,545.77	30,749.25	360.90	31,110.15
Capital work-in-progress		363.38	-	363.38	666.06	-	666.06
Intangible Assets		119.81	-	119.81	81.58	-	81.58
Intangible Assets under Development		191.38	-	191.38	405.25	-	405.25
Financial Assets							
(i) Investments		3,588.88	-	3,588.88	5,096.81	-	5,096.81
(ii) Loans		1,432.65	-	1,432.65	1,932.65	-	1,932.65
(iii) Other Financial Assets		787.40	-	787.40	801.98	-	801.98
Other Non-Current Assets		132.21	-	132.21	298.68	-	298.68
Current Assets							
Inventories		12,120.43	-	12,120.43	13,188.40	-	13,188.40
Financial Assets							
(i) Investments	1	8,783.66	93.68	8,877.34	11,547.03	53.74	11,600.77
(ii) Trade Receivables		31,208.91	-	31,208.91	40,525.03	-	40,525.03
(iii) Cash and Cash Equivalents		1,399.90	-	1,399.90	785.37	-	785.37
(iv) Bank Balances other than (iii) above		69.41	-	69.41	38.20	-	38.20
(v) Loans		1,254.26	-	1,254.26	1,400.00	-	1,400.00
(vi) Other Financial Assets		257.40	-	257.40	526.03	-	526.03
Other Current Assets		3,445.52	-	3,445.52	2,820.41	-	2,820.41
TOTAL ASSETS		**95,700.97**	**93.68**	**95,794.65**	**1,10,862.730**	**414.64**	**1,11,277.37**

(₹ in Lakhs)

Particulars	Notes to first-time adoption	As at April 1, 2016			As at March 31, 2017		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
Equity and Liabilities							
Equity							
Equity Share Capital		847.59	-	847.59	847.59	-	847.59
Other Equity	2	41,127.70	1,237.56	42,365.26	49,736.52	271.90	50,008.42
Liabilities							
Non- current Liabilities							
Financial Liabilities							
(i) Borrowings		8,367.82	-	8,367.82	7,237.94	-	7,237.94
(ii) Others Financial Liabilities		1,972.58	-	1,972.58	2,034.55	-	2,034.55

Notes to Standalone Financial Statements for the Year ended March 31, 2018

53 First Time Adoption of Ind AS (Contd.)

(₹ in Lakhs)

Particulars	Notes to first-time adoption	As at April 1, 2016			As at March 31, 2017		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
Provisions		359.58	-	359.58	438.46	-	438.46
Deferred Tax Liabilities (Net)	7	3,118.11	29.28	3,147.39	3,513.43	142.74	3,656.17
Other Non-Current Liabilities		118.16	-	118.16	233.31	-	233.31
Current Liabilities							
Financial Liabilities							
(i) Borrowings		16,825.66	-	16,825.66	14,410.39	-	14,410.39
(ii) Trade Payables		11,256.74	-	11,256.74	21,151.68	-	21,151.68
(iii) Other Financial Liabilities		3,842.32	-	3,842.32	3,450.84	-	3,450.84
Other Current Liabilities		6,390.54	-	6,390.54	7,413.00	-	7,413.00
Provisions	2	1,314.82	(1,173.16)	141.66	122.34	-	122.34
Current Tax Liabilities (net)		159.35	-	159.35	272.68	-	272.68
TOTAL EQUITY AND LIABILITIES		**95,700.97**	**93.68**	**95,794.65**	**1,10,862.73**	**414.64**	**1,11,277.37**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total comprehensive income for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
Revenue				
Revenue from Operations		1,88,492.41	-	1,88,492.41
Other Income	1	1,731.33	(6.88)	1,724.45
Total income		**1,90,223.74**	**(6.88)**	**1,90,216.86**
Expenses				
Cost of Materials Consumed		19,934.21	-	19,934.21
Purchases of Stock-in-Trade		92,658.39	-	92,658.39
Changes in inventories of finished goods, stock-in-Trade and work-in-progress		473.01	-	473.01
Excise duty on Sales		8,218.62	-	8,218.62
Employee Benefit Expense	3	14,093.67	70.04	14,163.71
Finance Costs		1,651.69	-	1,651.69
Depreciation and Amortization Expense	5	2,532.17	(360.91)	2,171.26
Other Expenses	1	36,922.90	33.07	36,955.97
Total Expenses		**1,76,484.66**	**(257.80)**	**1,76,226.86**
Profit before exceptional items and tax		**13,739.08**	**250.92**	**13,990.00**
Exceptional Item		406.25	-	406.25
Profit before tax		**13,332.83**	**250.92**	**13,583.75**

Notes to Standalone Financial Statements for the Year ended March 31, 2018

53 First Time Adoption of Ind AS (Contd.)

Reconciliation of total comprehensive income for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
Tax expense:				
(1) Current Tax				
- Current year		4,298.24	-	4,298.24
- For earlier years		30.45	-	30.45
(2) Deferred Tax Charge/(Credit)	7	395.33	89.21	484.54
Profit/ (loss) for the period (A)		**8,608.81**	**161.71**	**8,770.52**
Other Comprehensive Income (OCI)				
(1) Items that will not be reclassified to profit & loss	3	-	70.04	70.04
Income Tax relating to above	7	-	(24.24)	(24.24)
(2) Items that will be reclassified to profit & loss				
Total other comprehensive income for the period (B)		**-**	**45.80**	**45.80**
Total comprehensive income for the period (A + B)		**8,608.81**	**207.51**	**8,816.32**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total equity as at March 31, 2017 and April 1, 2016

(₹ in Lakhs)

Particulars	Notes to first-time adoption	March 31, 2017	April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		**50,584.11**	**41,975.29**
Adjustments:			
Proposed Dividend including Corporate Dividend Tax	2	(1,173.16)	1,173.16
Fair Valuation of Current Investment	1	(39.95)	93.68
Others	5	360.90	-
Deferred Tax on above adjustment	7	(113.46)	(29.28)
Total adjustments		**(965.66)**	**1,237.56**
Net impact brought forward from Opening balance sheet		1,237.56	-
Total equity as per Ind AS		**50,856.01**	**43,212.85**

Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities		12,920.37	-	12,920.37
Net cash flow from investing activities		(7,522.02)	-	(7,522.02)
Net cash flow from financing activities		(6,012.88)	-	(6,012.88)
Net increase/(decrease) in cash and cash equivalents		(614.53)	-	(614.53)
Cash and cash equivalents as at April 1, 2016		1,399.90	-	1,399.90
Cash and cash equivalents as at March 31, 2017		785.37	-	785.37

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to Standalone Financial Statements for the Year ended March 31, 2018

53 First Time Adoption of Ind AS (Contd.)

D. Notes to first-time adoption:

1 Fair valuation of investments

Under previous GAAP, current investments were stated at lower of cost and fair value. Under Ind AS, these financial assets have been classified as Fair Value through Profit or Loss (FVTPL) on the date of transition and fair value changes after the date of transition has been recognised in statement of profit and loss.

2 Proposed Dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting.

3 Remeasurements of post-employment benefit obligations

Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in OCI. Consequently, the tax effect of the same has also been recognised in OCI instead of statement of profit and loss.

4 Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments

5 Depreciation

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The Company has further reassessed and realigned the depreciation methodology as per the requirement of IND AS.

6 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in statement of profit & loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in statement of profit & loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and tax thereon. The concept of other comprehensive income was not there under previous GAAP.

7 Deferred Tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

As per our report of even date

For **SINGHI & Co.**
Chartered Accountants
(ICAI FRN. NO.: 302049E)

B. K. SIPANI
Partner
M. No. 088926

Place: New Delhi
Date: May 24, 2018

For and on behalf of Board of Directors

SHREEKANT SOMANY
Chairman & Managing Director
DIN: 00021423

SAIKAT MUKHOPADHYAY
Chief Financial Officer

ABHISHEK SOMANY
Managing Director
DIN: 00021448

AMBRISH JULKA
DGM (Legal) & Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of
SOMANY CERAMICS LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of Somany Ceramics Limited ('hereinafter referred to as "the Holding Company") and its subsidiary Companies (the Holding Company and its subsidiary Companies, including associates considered as subsidiary as per Ind As , together referred to as "the Group") comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind-AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind-AS 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 (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the relevant rules issued under Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 respective Ind AS 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 Ind-AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind-AS 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 Ind-AS 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 Ind-AS 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 Ind-AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Ind-AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports, referred in 'other matters' paragraph below, of other auditors on separate Ind-AS financial statements and other financial information of the subsidiaries, the aforesaid consolidated Ind-AS 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 as at March 31, 2018, and their consolidated profit (including other comprehensive income), consolidated statement of change in equity and their consolidated cash flows for the year ended on that date.

Other Matters

a. We did not audit the financial statements of six subsidiaries, whose Ind-AS financial statements reflect total assets of Rs. 8,632.34 Lakhs as at March 31, 2018, total revenues of Rs. 3,539.46 Lakhs and net cash inflows amounting to Rs. 93.81 Lakhs for the year ended on that date, as considered in the consolidated Ind-AS financial statements. These Ind-AS financial statements have been audited by other auditors, whose reports have been furnished to us by the management and our opinion on the consolidated Ind-AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries 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 is based solely on the respective audit reports.

b. We did not audit the financial statements of six subsidiaries, whose Ind-AS financial statements reflect total assets of Rs. 37,949.07 Lakhs as at March 31, 2018, total revenues of Rs. 58,544.59 Lakhs and net cash outflows amounting to Rs. 358.47 Lakhs for the year ended on that date, whose audited Ind-AS financial statements were adjusted to align with accounting policies of the Holding Company for preparing consolidated Ind-AS financial statements of the Group. These adjusted financial statements were audited by other auditors whose fit for consolidation reports have been furnished to us by the Management and our opinion on the consolidated Ind-AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, is based solely on fit for consolidation report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of other auditors on separate Ind-AS financial statements and other financial information of subsidiary companies , as noted in the 'other matters' paragraph ,we report to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind-AS financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind-AS 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, Consolidated Change in statement of Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with relevant books of account maintained for the purpose of preparation of the consolidated Ind-AS financial statements.

   (d) In our opinion, the aforesaid consolidated Ind-AS financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act 2013 read with the

relevant rules issued under Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure-A",

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate Ind-AS financial statements as also the other financial information of the Subsidiary companies ,as noted in the 'other matters' paragraph :

i The Group has disclosed the impact of pending litigations on consolidated financial position of Group – Refer Note 38 to the consolidated Ind-AS financial statements.

ii. The Group did not have any material foreseeable losses on long term contracts including derivative contracts during the year ended March 31, 2018

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

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: May 24, 2018

Annexure – A to the Independent Auditor's Report of even date on the consolidated Ind-AS financial statements of Somany Ceramics Limited.

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

In conjunction with our audit of the consolidated Ind-AS financial statements of Somany Ceramics Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2018. We have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance

Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies ,which are incorporated in India , have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI and same can be further strengthened.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: May 24, 2018

Consolidated Balance Sheet as at March 31, 2018

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Assets				
Non-current Assets				
Property, Plant and Equipment	3	63,604.93	52,214.62	51,464.64
Capital work-in-progress		2,789.14	5,223.51	442.32
Intangible Assets	3	770.99	81.63	120.02
Intangible Assets under Development		4.20	405.25	191.38
Goodwill on Consolidation		441.32	441.32	441.22
Financial Assets				
(i) Investments	4	-	-	-
(ii) Loans	5	25.00	25.00	25.00
(iii) Other Financial Assets	6	1,073.66	1,236.48	1,627.30
Other Non-Current Assets	7	368.89	634.61	132.21
		69,078.13	**60,262.42**	**54,444.09**
Current Assets				
Inventories	8	25,971.99	22,075.62	19,568.27
Financial Assets				
(i) Investments	9	11,418.47	11,855.74	9,022.09
(ii) Trade Receivables	10	50,371.50	42,680.34	32,267.09
(iii) Cash and Cash Equivalents	11	578.19	1,488.28	1,855.25
(iv) Bank Balances other than (iii) above	12	782.07	914.69	706.95
(v) Loans	13	853.60	600.00	1,277.74
(vi) Other Financial Assets	14	489.23	557.95	321.78
Current Tax Assets (net)	15	144.74	43.08	30.30
Other Current Assets	16	4,221.77	3,850.03	4,279.25
		94,831.56	**84,065.73**	**69,328.72**
Total Assets		**1,63,909.69**	**1,44,328.15**	**1,23,772.81**
Equity And Liabilities				
Equity				
Equity Share Capital	17	847.59	847.59	847.59
Other Equity	18	57,220.66	51,569.41	43,363.03
		58,068.25	**52,417.00**	**44,210.62**
Non-controlling Interest		9,590.59	8,343.63	6,472.96
		67,658.84	**60,760.63**	**50,683.58**
Liabilities				
Non- current Liabilities				
Financial Liabilities				
(i) Borrowings	19	16,543.96	17,826.89	17,614.53
(ii) Other Financial Liabilities	20	2,229.95	2,377.55	3,346.38
Provisions	21	480.91	442.60	360.67
Deferred Tax Liabilities (Net)	22	5,235.99	4,738.98	3,541.78
Other Non-Current Liabilities	23	282.72	233.31	118.16
		24,773.53	**25,619.33**	**24,981.52**
Current Liabilities				
Financial Liabilities				
(i) Borrowings	24	31,179.28	26,172.00	21,426.36
(ii) Trade Payables	25	23,316.10	16,364.77	12,412.10
(iii) Other Financial Liabilities	26	7,419.85	6,057.79	6,220.07
Other Current Liabilities	27	8,886.42	8,869.52	7,588.44
Provisions	28	65.08	122.34	141.66
Current Tax Liabilities (net)	29	610.59	361.77	319.08
		71,477.32	**57,948.19**	**48,107.71**
Total Equity and liabilities		**1,63,909.69**	**1,44,328.15**	**1,23,772.81**
Significant Accounting Policies and Other Notes on Financial Statements.	1 to 55			

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date

For **SINGHI & Co.**
Chartered Accountants
(ICAI FRN. NO.: 302049E)

B. K. SIPANI
Partner
M. No. 088926

Place: New Delhi
Date: May 24, 2018

For and on behalf of Board of Directors

SHREEKANT SOMANY
Chairman & Managing Director
DIN: 00021423

SAIKAT MUKHOPADHYAY
Chief Financial Officer

ABHISHEK SOMANY
Managing Director
DIN: 00021448

AMBRISH JULKA
DGM (Legal) & Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from Operations	30	1,74,718.64	1,90,517.84
Other Income	31	1,811.37	1,717.10
Total Revenue		**1,76,530.01**	**1,92,234.94**
Expenses			
Cost of Materials Consumed	32	45,568.90	46,896.20
Purchases of Stock-in-Trade		28,941.64	23,683.44
Change in Inventories of Finished Goods ,	33	(3,821.93)	117.64
Work-in-progress and Stock-in-Trade			
Excise duty on Sales		3,447.91	17,431.69
Employee Benefit Expense	34	21,745.41	19,222.75
Finance Costs	35	3,992.04	3,897.39
Depreciation and Amortization Expense	3	4,128.02	3,128.04
Other Expenses	36	60,252.02	59,798.06
Total Expenses		**1,64,254.01**	**1,74,175.21**
Profit Before Exceptional Items and Tax		**12,276.00**	**18,059.73**
Exceptional Items (Net)		440.41	406.25
Profit before tax		**11,835.59**	**17,653.48**
Tax Expense:			
1) Current Tax	22		
- Current year		3,422.01	4,978.16
- For earlier years		(2.06)	(1.13)
2) Deferred Tax Charge/(Credit)	22	505.51	1,172.96
Profit for the year		**7,910.13**	**11,503.49**
Other Comprehensive Income (OCI)			
(1) Items that will not be reclassified to profit & loss		(24.34)	70.04
Income Tax relating to above		8.50	(24.24)
(2) Items that will be reclassified to profit & loss		-	-
Total Comprehensive Income for the year		**7,894.29**	**11,549.29**
Profit for the year attributable to:			
Owners of the Company		7,044.42	9,815.80
Non controlling interests		865.71	1,687.69
Other Comprehensive Income attributable to:			
Owners of the Company		(15.84)	45.80
Non controlling interests		-	-
Total Comprehensive Income attributable to:			
Owners of the Company		7,028.58	9,861.60
Non controlling interests		865.71	1,687.69
Earnings Per Equity Share (Per Share Value of Rs. 2 each)	37		
Basic (In Rs)		**16.62**	**23.15**
Diluted (In Rs)		**16.62**	**23.15**
Significant Accounting Policies and Other Notes on Financial Statements.	1 to 55		
The accompanying Notes are an integral part of the Financial Statements.			

As per our report of even date

For **SINGHI & Co.**
Chartered Accountants
(ICAI FRN. NO.: 302049E)

B. K. SIPANI
Partner
M. No. 088926

Place: New Delhi
Date: May 24, 2018

For and on behalf of Board of Directors

SHREEKANT SOMANY
Chairman & Managing Director
DIN: 00021423

SAIKAT MUKHOPADHYAY
Chief Financial Officer

ABHISHEK SOMANY
Managing Director
DIN: 00021448

AMBRISH JULKA
DGM (Legal) & Company Secretary

Consolidated Statement of Change in Equity for the Year ended March 31, 2018

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount	No. of Shares	Amount
(a) Equity Share Capital & Reconciliation of number of shares outstanding at the beginning and end of the year :				
Balance at the beginning of the year	4,23,79,426	847.59	4,23,79,426	847.59
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	**4,23,79,426**	**847.59**	**4,23,79,426**	**847.59**

(b) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus				Other Comprehensive Income	Owner's Other Equity	Non Controlling Interest	Total Other Equity
	Capital Redemption Reserve	Security Premium Reserve	General Reserve	Retained earnings	Remeasurement of defined benefit plans			
Restated balance at the beginning of the year	**0.03**	**16,389.03**	**5,114.38**	**21,902.03**	**(42.44)**	**43,363.03**	**6,472.96**	**49,835.99**
Profit for the year	-	-	-	9,815.80	-	9,815.80	1,687.69	11,503.49
Acquisition of Non Controlling Interest	-	-	-	(482.06)	-	(482.06)	(414.34)	(896.40)
Shares Issued by Subsidiaries to Non Controlling interest shareholders	-	-	-	-	-	-	597.32	597.32
Other Comprehensive Income for the year	-		-	-	45.80	45.80	-	45.80
Total Comprehensive Income for the year	**-**	**-**	**-**	**9,333.74**	**45.80**	**9,379.54**	**1,870.67**	**11,250.21**
Dividend Paid	-	-	-	974.73	-	974.73	-	974.73
Dividend Distribution Tax	-	-	-	198.43	-	198.43	-	198.43
Balance at March 31, 2017	**0.03**	**16,389.03**	**5,114.38**	**30,062.61**	**3.36**	**51,569.41**	**8,343.63**	**59,913.04**
Balance at the beginning of the year	**0.03**	**16,389.03**	**5,114.38**	**30,062.61**	**3.36**	**51,569.41**	**8,343.63**	**59,913.04**
Profit for the year	-	-	-	7,044.42	-	7,044.42	865.71	7,910.13
Acquisition of Non Controlling Interest	-	-	-	(0.15)	-	(0.15)	-	(0.15)
Shares Issued by Subsidiaries to Non Controlling interest shareholders	-	-	-	-	-	-	381.25	381.25
Other comprehensive income for the year	-	-	-	-	(15.84)	(15.84)	-	(15.84)
Total Comprehensive Income for the year	**-**	**-**	**-**	**7,044.27**	**(15.84)**	**7,028.43**	**1,246.96**	**8,275.39**
Transfer to Capital Redemption Reserve	239.19	-	-	(239.19)	-	-	-	-
Dividend Paid	-	-	-	1,144.24	-	1,144.24	-	1,144.24
Dividend Distribution Tax	-	-	-	232.94	-	232.94	-	232.94
Balance at March 31, 2018	**239.22**	**16,389.03**	**5,114.38**	**35,490.51**	**(12.48)**	**57,220.66**	**9,590.59**	**66,811.25**

Capital Redemption Reserve: It represents the redemption of Preference shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Securities Premium Reserve: It represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date

For **SINGHI & Co.**
Chartered Accountants
(ICAI FRN. NO.: 302049E)

B. K. SIPANI
Partner
M. No. 088926

Place: New Delhi
Date: May 24, 2018

For and on behalf of Board of Directors

SHREEKANT SOMANY
Chairman & Managing Director
DIN: 00021423

ABHISHEK SOMANY
Managing Director
DIN: 00021448

SAIKAT MUKHOPADHYAY
Chief Financial Officer

AMBRISH JULKA
DGM (Legal) & Company Secretary

Consolidated Cash Flow Statement for the Year ended March 31, 2018

(₹ in Lakhs)

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
A.	**Cash Flow From Operating Activities**		
	Net Profit before Tax as per Statement of Profit & Loss	**11,835.59**	**17,653.48**
I.	Adjusted for:		
	Depreciation and Amortization Expense	4,128.02	3,497.81
	Finance Costs	3,992.04	3,897.39
	Interest Income	(1,281.70)	(975.97)
	(Profit)/Loss on Sales of Investment (Net)	(213.57)	(359.83)
	Unrealized Foreign Exchange (Gain)/Loss (Net)	33.39	116.60
	Movement in Fair Value of Investments	61.27	84.96
	Provision for Doubtful Debts and Recoverables	119.65	49.66
	Sundry Balances Written Off	17.94	0.05
	Sundry Balances Written Back	(52.09)	(50.62)
	(Profit)/Loss on sale / discard of Property, Plant and Equipment (net)	536.96	58.07
	Operating Profit Before Working Capital Changes	**19,177.49**	**23,971.60**
II.	Adjusted For :		
	Trade and Other Receivables	(8,125.66)	(9,197.64)
	Inventories	(3,896.37)	(2,507.35)
	Trade and Other Payables	7,205.35	4,404.88
	Cash Generated from Operation	**14,360.81**	**16,671.49**
	Income Taxes Refund /(Paid)	(3,272.79)	(4,947.12)
	Net Cash Flow From Operating Activities (A)	**11,088.02**	**11,724.37**
B.	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment and Intangible Assets	(13,541.89)	(10,738.34)
	Sale of Property, Plant and Equipment	553.15	286.62
	Acquisition of Non Controlling Interest in Subsidiaries	(0.15)	(896.50)
	Purchase of Current Investments	(57,899.72)	(66,899.17)
	Sale of Current Investments	58,489.29	64,340.39
	Interest Received	1,358.26	779.61
	Net Cash Outflow From Investing Activities (B)	**(11,041.06)**	**(13,127.39)**

Consolidated Cash Flow Statement for the Year ended March 31, 2018

(₹ in Lakhs)

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
C.	**Cash Flow From Financing Activities**		
	Proceeds from Non Current Borrowings	5,050.64	6,148.20
	Repayment of Non Current Borrowings	(5,816.02)	(5,323.88)
	Current Borrowings (net)	4,982.09	4,745.64
	Proceeds from issue of Equity shares by subsidiaries to Non Controlling Interest shareholders	381.25	597.32
	Redemption of Preference Shares	(229.81)	-
	Interest Paid	(3,955.29)	(3,962.41)
	Dividend Paid (including dividend distribution tax)	(1,369.91)	(1,168.82)
	Net Cash Inflow From Financing Activities (C)	**(957.05)**	**1,036.05**
	Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C)	**(910.09)**	**(366.97)**
	Opening		
	Cash and Cash Equivalents	1,488.28	1,855.25
	Closing		
	Cash and Cash Equivalents	578.19	1,488.28

Notes :

a) Cash and Cash Equivalents represents cash and bank balances (Note No. 11).

b) Figures for the previous year have been regrouped/rearranged wherever considered necessary.

c) Additional Disclosure required under amendment to Ind AS 7 w.e.f. April 1, 2017. Refer Note No. 52.

d) The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date

For **SINGHI & Co.**
Chartered Accountants
(ICAI FRN. NO.: 302049E)

B. K. SIPANI
Partner
M. No. 088926

Place: New Delhi
Date: May 24, 2018

For and on behalf of Board of Directors

SHREEKANT SOMANY
Chairman & Managing Director
DIN: 00021423

SAIKAT MUKHOPADHYAY
Chief Financial Officer

ABHISHEK SOMANY
Managing Director
DIN: 00021448

AMBRISH JULKA
DGM (Legal) & Company Secretary

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

1 Reporting Entity

The Consolidated Financial Statements comprise financial statements of Somany Ceramics Limited ("the Company") and its subsidiaries (collectively, "the Group") for the year ended March 31, 2018. The Company is a public company domiciled in India and having registered office at 2, Red Cross Place, Kolkata – 700001 India. Equity shares of the Company are listed in India on the Bombay stock exchange and the National stock exchange.

The Group has manufacturing plants in Kassar (Haryana), Kadi and Morbi (Gujarat). The Group is a manufacturer and trader of a complete decor solutions and its extensive range of products include Ceramic Wall and Floor Tiles, Polished Vitrified Tiles, Glazed Vitrified Tiles, Sanitaryware Bath Fittings and allied products.

The Consolidated Financial Statements of the Company for the year ended March 31, 2018 were authorized for issue in accordance with a resolution of the directors on May 24, 2018.

2 Significant Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in the Consolidated Financial Statements.

2.1 Basis of preparation

The Consolidated Financial Statements of the Group comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other accounting principles generally accepted in India.

The Consolidated Financial Statements up to year ended March 31, 2017 were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2014 issued by the Central Government and as per relevant provisions of the Companies Act, 2013 read together with Paragraph 7 of The Companies (Accounts) Rules, 2014.

The Group followed the provisions of Ind-AS 101 in preparing its opening Ind AS Consolidated Balance Sheet as of the date of transition i.e April 1, 2016 and transional adjustment were recognized directly through retained earnings (Refer Note No. 54).

2.2 Basis of consolidation

The Consolidated Ind AS Financial Statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when only if the Group:

- Has power over the investee;
- Is exposed or has rights to variable return from its involvement with the investee, and
- Has the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

- The size of the Parent Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on March 31.

List of entities considered in Consolidated Financial Statements are as disclosed in Note no. 53.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Appropriate adjustments for deferred taxes are made for temporary differences that arise from the elimination of unrealised profits and losses from intra group transactions or undistributed earnings of Group's entity included in consolidated profit and loss, if any.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, 'Income Taxes' and Ind AS 19, 'Employee Benefits', respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Consolidated Statement of Profit and Loss in the period in which they are incurred.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

2.3 Basis of measurement

The Consolidated Financial Statements have been prepared under the historical cost convention on accrual basis and the following items, which are measured on following basis on each reporting date:

- Certain financial assets and liabilities that is measured at fair value.
- Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.4 Functional and presentation currency

These Consolidated Financial Statements are presented in Indian National Rupee ('INR'), which is the Group's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

2.5 Use of judgements and estimates

In preparing these Consolidated Financial Statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the Consolidated Financial Statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Consolidated Financial Statements have been given below:

- Classification of leases into finance and operating lease
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the Consolidated Financial Statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

2.6 Classification of Assets and Liabilities as Current and Non-Current

The Group presents assets and liabilities in the Consolidate balance sheet based on current/ non-current classification. An asset/liabilities is treated as current when it is:

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

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

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

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

2.7 Property, Plant and Equipment (Fixed Assets)

Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss , if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

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

Foreign exchange loss/gain arising on long-term foreign currency monetary items existing as on April 1, 2016 used for depreciable assets, which are capitalised as per transitional provision of Ind AS 101 "First time adoption".

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that there is an increase in the future economic benefits associated with the expenditure will flow to the Group.

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

Depreciation

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013 except for the following which has been determined on the basis of technical evaluation.

Particulars	Useful Life
Plant and Machinery	5 - 25 Years
Vehicles	5 - 8 Years
Dies & Punches	8 Years

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure.

Leasehold improvements are being amortised over the period of 5 to 10 years.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Individual assets costing below Rs. 5000 are fully depreciated in the year of purchase.

Capital work-in-progress

Expenditure incurred during the construction period, including all expenditure direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

2.8 Intangible assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software and designing rights is considered as 5 years.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

2.9 Non-current assets held for sale

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

2.10 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are Grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

2.11 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

2.12 Foreign currency transactions

Transactions in foreign currencies are recorded by the Group at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit and Loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- In respect of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind as financial reporting period, the Group has elected to recognise exchange differences on translation of such long term foreign currency monetary items in line with its Previous GAAP accounting policy.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

2.13 Employee benefits

Short term employee benefits

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

Defined contribution plans

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

Defined benefit plans

For defined benefit retirement, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the Consolidated Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in other equity and will not be reclassified to the Consolidated Statement of Profit and Loss. Past service cost is recognised in the Consolidated Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in the Consolidated Statement of Profit and Loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other long-term employee benefits

The Group has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Consolidated Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

2.14 Revenue Recognition

The Group recognises revenue from sale of goods when;

i) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

ii) the amount of revenue can be measured reliably;

iii) it is probable that the economic benefits associated with the transaction will flow to the Group; and

iv) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue (other than sale of goods) is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc.

Interest income are recognised on an accrual basis using the effective interest method.

Dividends are recognised at the time the right to receive payment is established.

2.15 Inventories

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of finished goods and stock in process is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of raw materials and stores & spare parts is computed on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

2.16 Provisions, Contingent Liabilities and Contingent Assets

Based on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the Consolidated Financial Statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the Consolidated Financial Statements but disclosed, where an inflow of economic benefit is probable.

2.17 Measurement of fair value

a) Financial instruments

The estimated fair value of the Group's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b) Marketable and non-marketable equity securities

Fair value for quoted securities is based on quoted market prices as of the reporting date. Fair value for unquoted securities is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

2.18 Financial instruments

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The Group classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

Financial Assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss.

Financial Assets at fair value through Other Comprehensive Income (FVOCI)

Financial Assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Financial Assets at fair value through profit and loss (FVTPL)

Any Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Group may elect to classify a financial assets, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss.

Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Consolidated Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in Consolidated Statement of Profit and Loss.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Group applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the E[R method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities designated upon initial recognition as at fair value through profit and loss.

Gains or losses on liabilities held for trading are recognised in the Consolidated Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to Consolidated Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Consolidated Statement of Profit and Loss.

Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

2.19 Income tax

Income tax expense comprises current and deferred tax. It is recognised in Consolidated Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Group:

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Consolidated Balance Sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Consolidated Balance Sheet date.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Consolidated Statement of Profit and Loss and included in deferred tax assets. The Group reviews the same at each Consolidated Balance Sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

2.20 Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the percentage value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Consolidated Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Consolidated Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

2.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Company.

2.22 Standard issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Consolidated Financial Statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standards:

Recent Accounting pronouncements

On March 28, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates' and Ind AS 115, 'Revenue from Contracts with Customers.' The amendments are applicable to the Group from April 01, 2018.

(a) Amendment to Ind AS 21

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Group is evaluating the requirements of the amendment and the effect on the Consolidated Financial Statements will be given in due course.

(b) Amendment to Ind AS 115

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs (""MCA"") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Group is evaluating the requirements of the amendment and the effect on the Consolidated Financial Statements will be given in due course.

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

3.(i) Property, plant and equipment

(₹ in Lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2016	Additions	Disposals / Adjust-ments	As at March 31, 2017	As at April 1, 2016	For the Year	Disposals/ Adjust-ments	As at March 31, 2017	As at April 1, 2016	As at March 31, 2017
Tangible Assets										
Freehold land	1,169.79	675.70	-	1,845.49	-	-	-	-	1,169.79	1,845.49
Building	8,408.58	758.27	2.21	9,164.64	-	392.44	0.11	392.33	8,408.58	8,772.31
Plant and equipment	39,730.93	1,568.91	430.85	40,868.99	-	2,520.05	204.69	2,315.36	39,730.93	38,553.63
Vehicles	1,081.25	726.93	117.43	1,690.75	-	290.74	28.59	262.15	1,081.25	1,428.60
Furniture and fixtures	654.35	433.09	23.35	1,064.09	-	122.69	3.09	119.60	654.35	944.49
Office equipments	322.84	381.10	8.39	695.55	-	122.22	1.06	121.16	322.84	574.39
Assets under Finance Lease										
Leasehold land	96.90	-	-	96.90	-	1.19	-	1.19	96.90	95.71
Total	**51,464.64**	**4,544.00**	**582.23**	**55,426.41**	**-**	**3,449.33**	**237.54**	**3,211.79**	**51,464.64**	**52,214.62**

(₹ in Lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at March 31, 2017	Additions	Disposals / Adjust-ments	As at March 31, 2018	As at March 31, 2017	For the Year	Disposals/ Adjust-ments	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018
Tangible Assets										
Freehold land	1,845.49	260.44	-	2,105.93	-	-	-	-	1,845.49	2,105.93
Building	9,164.64	2,147.23	-	11,311.87	392.33	547.27	-	939.60	8,772.31	10,372.27
Plant and equipment	40,868.99	10,753.96	2,223.77	49,399.18	2,315.36	2,437.34	1,159.71	3,592.99	38,553.63	45,806.19
Vehicles	1,690.75	795.84	54.21	2,432.38	262.15	403.88	38.04	627.99	1,428.60	1,804.39
Furniture and fixtures	1,064.09	1,891.23	10.32	2,945.00	119.60	324.13	1.94	441.79	944.49	2,503.21
Office equipments	695.55	549.89	9.19	1,236.25	121.16	204.36	7.69	317.83	574.39	918.42
Assets under Finance Lease				-				-		
Leasehold land	96.90	-	-	96.90	1.19	1.19	-	2.38	95.71	94.52
Total	**55,426.41**	**16,398.59**	**2,297.49**	**69,527.51**	**3,211.79**	**3,918.17**	**1,207.38**	**5,922.58**	**52,214.62**	**63,604.93**

3 (ii). Intangible Assets

(₹ in Lakhs)

Particulars	Gross Block				Amortization				Net Block	
	As at April 1, 2016	Additions	Disposals / Adjust-ments	As at March 31, 2017	As at April 1, 2016	During the year	Disposals/ Adjust-ments	As at March 31, 2017	As at April 1, 2016	As at March 31, 2017
Intangible Assets										
Computer Software	120.02	10.09	28.32	101.79	-	48.48	28.32	20.16	120.02	81.63
Total	**120.02**	**10.09**	**28.32**	**101.79**	**-**	**48.48**	**28.32**	**20.16**	**120.02**	**81.63**

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

3 (ii). Intangible Assets (Contd.)

(₹ in Lakhs)

Particulars	Gross Block				Amortization				Net Block	
	As at March 31, 2017	Additions	Disposals / Adjust-ments	As at March 31, 2018	As at March 31, 2017	During the year	Disposals/ Adjust-ments	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018
Intangible Assets										
Computer Software	101.79	899.21	-	1,001.00	20.16	209.85	-	230.01	81.63	770.99
Total	**101.79**	**899.21**	**-**	**1,001.00**	**20.16**	**209.85**	**-**	**230.01**	**81.63**	**770.99**

1. Plant & equipment includes machinery Gross Rs. 62.29 Lakhs (Previous year Rs. 62.29 Lakhs) lying with third parties, pending confirmation.
2. Addition to Plant & Machinery includes foreign exchange gain amounting to Rs. 181.75 Lakhs decapitalised (Previous year Rs. 198.80 Lakhs capitalised).
3. Agreement for sale of Freehold land amounting to Rs. 452.85 Lakhs have been executed by Andhra Pardesh Industrial Infrastructure Corporation Limited in the favour of Sudha Somany Ceramics Pvt. Ltd. "subsidiary company" and the title in the name of the subsidiary company will be transferred after the commencement commercial production.
4. Assets pledged and Hypothecated against borrowings: Please Refer Note No. 19.
5. Previous year depreciation includes discard of old Plant & Equipment Rs 369.78 Lakhs shown as exceptional item in the Consolidated Statement of Profit and Loss.
6. Refer Note No. 54 (First Time Adoption).

4 Non-current Investments

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investment in Equity Instruments			
A) Associate (Joint Venture upto June 01, 2017)			
a) 8,93,000 Equity Shares (March, 31 2017 - 8,93,000; April, 1 2016 - 8,93,000) of Rs.10/- each of SKPL Ceramics. Pvt. Ltd. (Formerly Somany Keraben Pvt Ltd.)	89.30	89.30	89.30
Less Provision for impairment	89.30	89.30	89.30
	-	-	-
a. Aggregate amount of investments are given below:			
Aggregate cost of Unquoted investments	89.30	89.30	89.30
Aggregated amount of impairment in Value of Investment	89.30	89.30	89.30
b. The above investment are not listed on any stock exchange in India or outside India.			

5 Loans

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured, Considered Good Unless Stated Otherwise)			
Deposits			
- With Others	25.00	25.00	25.00
	25.00	**25.00**	**25.00**

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

6 Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured, Considered Good Unless Stated Otherwise)			
Bank Deposit (Pledge with Government Department)	288.61	182.70	173.49
Fixed Deposits held as Margin Money with Banks/ Financial institutions	217.28	556.43	992.05
Deposit with Government Authorities	201.37	199.46	164.18
Deposit with Others	366.40	297.89	297.58
	1,073.66	**1,236.48**	**1,627.30**

7 Other Non-Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Advance	365.77	598.96	81.52
Prepaid Expenses	3.12	9.22	28.65
Others	-	26.43	22.04
	368.89	**634.61**	**132.21**

8 Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Valued at Lower of Cost and Net Realisable Value)			
(As taken, Valued and Certified by the Management)			
Raw Materials & Packing Material	5,414.22	5,054.08	3,512.15
Work -in-Progress	1,485.37	1,235.73	732.01
Finished Goods	12,589.71	10,186.29	10,046.41
Stock in Trade [including in transit stock of Rs. 11.95 Lakhs (March 31, 2017 - Nil, April 1, 2016 - Rs. 125.89 Lakhs)]	3,008.83	2,724.54	3,432.06
Stores and Spares	3,473.86	2,874.98	1,845.64
	25,971.99	**22,075.62**	**19,568.27**

a. Inventories are hypothecated to secure short-term borrowings. Refer to Note No. 24.

b. Write downs of inventories amounted to Rs. 151.8 Lakhs (previous year Rs 182.53 Lakhs).

9 Current Investments

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A Investments in Bonds and Non Convertible Debentures (Unquoted) (valued at fair value through profit & loss)			
37,700 Units (March 31, 2017 - 77,415 Units, April 1, 2016 - 19,000 Units) 10.25 % SREI Equipment Finance Ltd - 2022 (NCD)	371.01	2,030.40	190.95
9 Units (March 31, 2017 - 9 Units, April 1, 2016 - Nil) 11.50% SREI Infrastructure Finance Ltd (Bonds)	90.00	90.00	-
60 Units (March 31, 2017 - 60 Units, April 1, 2016 - Nil) 0.00% ICICI Bank 2018 (Bonds)	15.00	13.55	-

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

9 Current Investments (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
7 Units (March 31, 2017 - 27 Units, April 1, 2016 - Nil) 0.00% ICICI Bank 2019 (Bonds)	1.75	5.91	-
20 Units (March 31, 2017 - 20 Units, April 1, 2016 - Nil) 0.00% ICICI Bank 2020 (Bonds)	5.96	6.28	-
139 Units (March 31, 2017 - 246 Units, April 1, 2016 - Nil) 0.00% ICICI Bank 2022 (Bonds)	38.01	75.06	-
53 Units (March 31, 2017 - 120 Units, April 1, 2016 - Nil) 0.00% ICICI Bank 2023 (Bonds)	13.04	31.39	-
800 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.70% U P Power Corporation Ltd 04.07.2031 Bonds (NCD)	807.20	-	-
116 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 10.20% SREI Infrastructure Finance Ltd 23.03.2020 (NCD)	1,167.31	-	-
43 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.37% IL&FS Transportation Networks Ltd 29.10.2027 (Bonds)	427.42	-	-
24 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.25% IL&FS Transportation Networks Ltd 15.12.2022 (Bonds)	238.44	-	-
65 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.00% IL&FS Transportation Networks Ltd 30.11.2027 (Bonds)	651.30	-	-
41 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.37% IL&FS Transportation Networks Ltd 30.11.2027 (Bonds)	407.54	-	-
10 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.83% HVPNL Ltd. 21.01.2026 (Bonds)	99.46	-	-
379 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.80% Jaipur Vidyut Vitarun Nigam Ltd 30.03.2031 (NCD)	375.48	-	-
63 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.00% SREI Infrastructure Finance Ltd (NCD)	629.37	-	-
60 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 11.00% Bank of India Perpetual (Bonds)	598.80	-	-
100 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.60% ECL Finance Ltd 19.12.2025 (Bonds)	101.00	-	-
100 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.50% ECL Finance Ltd 28.04.2026 (Bonds)	100.72	-	-
310 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.25% Edelweiss Finvest Pvt Ltd 04.01.2028 (Bonds)	309.85	-	-
250 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.00 % Shriram Transport Finance Co. Ltd. 28.03.2028 (NCD)	2,500.00	-	-
5 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 11.90% Dhanlaxmi Bank 03.05.2018 (NCD)	50.00	-	-
24 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 0.00% IDFC 17.01.2026 (NCD)	163.20	-	-
274 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 10.75% IFCI 01.08.2016 (NCD)	71.98	-	-

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

9 Current Investments (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
8 Units (March 31, 2017 - Nil, April 1, 2016 - Nil) 9.10% IL&FS Transportation Networks ltd 03.02.2023 (Bonds)	80.40	-	-
Nil (March 31, 2017 - 14 Units, April 1, 2016 - 14 Units) 12.5 % SREI Equitment Finance Ltd (NCD)	-	144.70	144.20
Nil (March 31, 2017 - 116 Units, April 1, 2016 - Nil) 10.20% SREI Infrastructure Finance Ltd (Bonds)	-	1,158.49	-
Nil (March 31, 2017 - 47 Units, April 1, 2016 - Nil) 0.00% ICICI Bank 2021 (Bonds)	-	17.01	-
Nil (March 31, 2017 - 760 Units, April 1, 2016 - Nil) 0.00% NABARD Deep Discount (Bonds)	-	151.24	-
Nil (March 31, 2017 - 100 Units, April 1, 2016 - Nil) 10.95% IDBI Omni Additional Tier I Bond 2016-17 Series II (Bonds)	-	997.10	-
Nil (March 31, 2017 - 150 Units, April 1, 2016 - Nil) 11.09% IDBI Omni Additional Tier I Bond 2016-17 Series II (Bonds)	-	1,494.30	-
Nil (March 31, 2017 - 125 Units, April 1, 2016 - Nil) 11.15% Allahabad Bank Basel III (Bonds)	-	1,252.50	-
Nil (March 31, 2017 - 36 Units, April 1, 2016 - Nil)) 11.60% Bank of Maharastra Basel III Tier I 15.12.2099 (Bonds)	-	364.75	-
Nil (March 31, 2017 - 130 Units, April 1, 2016 - Nil) 7.18% Power Finance Corporation 20.01.2027 (Bonds)	-	1,279.33	-
Nil (March 31, 2017 - 7,00,000 Units, April 1, 2016 - Nil) 8.17 Government of India 2044 (Bonds)	-	755.37	-
Nil (March 31, 2017 - 50,000 Units, April 1, 2016 - Nil) 9.05% Dewan Housing Finance Corporation Ltd. (Bonds)	-	497.50	-
Nil (March 31, 2017 - 12 Units, April 1, 2016 - Nil) 11.09% IDBI Bank Ltd. Series I Perpetual (Bonds)	-	129.71	-
Nil (March 31, 2017 - 58 Units, April 1, 2016 - Nil) 8.07% Energy Efficiency Ser. (NCD)	-	605.09	-
Nil (March 31, 2017 - 24 Units, April 1, 2016 - Nil) 9% Reliance Capital (NCD)	-	248.47	-
Nil (March 31, 2017 - Nil, April 1, 2016 - 10 Units) 9.91% Dalmia Cement (Bharat) Limited - Series A (NCD)	-	-	99.59
Nil (March 31, 2017 - Nil, April 1, 2016 - 90 Units) 9.91% Dalmia Cement (Bharat) Limited - Series C (NCD)	-	-	898.02
Nil (March 31, 2017 - Nil, April 1, 2016 - 161 Units) 10.36% Chhattisgarh State Power Distribution Company Limited 2036 (Bonds)	-	-	1,641.40
Nil (March 31, 2017 - Nil, April 1, 2016 - 5 Units) 9.45% Union Bank Of India Perpetual 2016 (Bonds)	-	-	50.00
Nil (March 31, 2017 - Nil, April 1, 2016 - 10,000 Units) 7.36% India Infrastructure Finance Co Ltd - 2028 (Bonds)	-	-	100.22
Nil (March 31, 2017 - Nil, April 1, 2016 - 117 Units) 10.39% Himachal Pradesh State Electricity Board Limited 2026 (Bonds)	-	-	1,146.60

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

9 Current Investments (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Nil (March 31, 2017 - Nil, April 1, 2016 - 150 Units) 11.75% SREI Infra FI 2019 (Bonds)	-	-	1,500.15
B) Investments in Mutual Fund (Quoted) (valued at fair value through profit & loss)			
38,551 Units (March 31, 2017 - Nil, April 1, 2016 - Nil Units) Edelweiss Low Duration Fund-Super Institutional Growth Plan	800.41	-	-
Nil (March 31, 2017 - 1,05,907.216 Units, April 1, 2016 - Nil Units) Edelweiss Liquid Fund-Super Institutional Growth Plan	-	22.04	-
50,140.745 Units (March 31, 2017 - Nil, April 1, 2016 -Nil) Reliance Money Manager Growth Fund	1,200.66	-	-
Nil (March 31, 2017-1,997.76 Units, April 1, 2016 Nil) Baroda Pioneer Liquid Fund	-	20.00	-
Nil (March 31, 2017 - 10,38,080.592 Units, April 1, 2016 -Nil) Edelweiss Treasury Fund-Super Institutional Growth Plan	-	201.21	-
Nil (March 31, 2017 - Nil, April 1, 2016 -1,08,41,166 Units) Reliance Short Term Fund - Growth Plan	-	-	3,065.70
2,87,251.767 Units (March 31, 2017-2,87,251.767 Units, April 1, 2016 Nil) SBI Corporate Bond fund Regular Plan	80.24	75.28	-
Nil (March 31, 2017 - 6,294.85 Units, April 1, 2016 -Nil) Birla Sun Life Frontline Equity Fund-Growth	-	12.16	-
Nil (March 31, 2017 - 8,912.656 Units, April 1, 2016 -Nil) ICICI Prudential Value Discovery Fund-Growth	-	11.70	-
Nil (March 31, 2017 - 23,249.146 Units, April 1, 2016 -Nil) SBI Magnum Midcap Fund -Growth	-	17.20	-
Nil (March 31, 2017 - 79,508.7 Units, April 1, 2016 -Nil) Franklin India High Growth Companies Fund-Growth	-	27.51	-
Nil (March 31, 2017 - 4,637.59 Units, April 1, 2016 -Nil) Birla Sun Life Balance 95 Fund-Growth	-	31.65	-
656.831 Units (March 31, 2017 - 536.64 Units, April 1, 2016 -1,193.185) HDFC Liquid Fund- Growth	22.40	17.17	35.61
Nil (March 31, 2017 - 3,348.54 Units, April 1, 2016 -3,348.54 Units) Reliance Banking Fund-Growth Plan	-	7.52	5.29
Nil (March 31, 2017 - 19,334.88 Units, April 1, 2016 -19,334.88 Units) ICICI Prudential Focused Bluechip Equity Fund	-	6.64	5.32
Nil (March 31, 2017 - 34,153.005 Units, April 1, 2016 -34,153.005 Units) HDFC Infrastructure Fund-Growth	-	6.02	4.74
Nil (March 31, 2017 - 132.7822 Units, April 1, 2016 - Nil)DSP Blackrock Money Manager Fund	-	2.90	-
Nil (March 31, 2017 - 2,280.939 Units, April 1, 2016 -Nil) Birla Sunlife Advantage Fund-Growth	-	8.43	-
Nil (March 31, 2017 - 4,916.842 Units, April 1, 2016 -Nil) DSP Blackrock Small & Mid Cap Fund	-	2.42	-
Nil (March 31, 2017 - 1,870.503 Units, April 1, 2016 -Nil) Birla Sunlife Cash Manager-Growth- Regular Plan	-	7.34	-

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

9 Current Investments (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Nil (March 31, 2017 - 34,567.772 Units, April 1, 2016 -Nil) Kotak Emerging Equity Scheme	-	12.14	-
Nil (March 31, 2017 - 219.362 Units, April 1, 2016 -Nil) Kotak Low Duration Fund Standard	-	4.35	-
Nil(March 31, 2017 - 19,900 Units, April 1, 2016-1,69,990 Units) Union Bank Mutual Fund	-	4.28	21.63
C) Investments at Equity Instruments (Quoted) (valued at fair value through Profit & Loss) (fully paid)			
Nil (March 31, 2017 - Nil, April 1, 2016 - 5,90,800) of Rs. 4/- each of Schablona India Ltd	-	-	108.41
550 Equity Shares (March 31, 2017 - 550, April 1, 2016 - 550) of Rs. 2/- each of Punjab National Bank Ltd.	0.52	0.83	0.47
Nil (March 31, 2017 - 68,771, April 1, 2016 - 68,771) of Rs.10/-each of Soma Textile & Industries Ltd.	-	8.80	3.45
(Un Quoted)			
Nil (March 31, 2017 - Nil , April 1, 2016 - 180,000) OPGS Power Gujarat Pvt Ltd.	-	-	0.34
	11,418.47	**11,855.74**	**9,022.09**
Aggregate Book Value of Quoted Investment	2,104.23	507.59	3,250.62
Aggregate Market Value of Quoted Investment	2,104.23	507.59	3,250.62
Aggregate Book Value of Un-Quoted Investment	9,314.24	11,348.15	5,771.47
Aggregate amount of impairment in value of investments	-	-	-

10 Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good	50,369.57	42,678.41	32,264.84
Unsecured, Considered Doubtful	321.46	222.03	177.84
	50,691.03	**42,900.44**	**32,442.68**
Less: Allowances for credit losses	319.53	220.10	175.59
	50,371.50	**42,680.34**	**32,267.09**

a. Including Rs. 1175.33 Lakhs (March 31, 2017 - Rs. 0.26 Lakhs, April 1, 2016 - NIL) receivable from related parties.

b. Trade Receivables are hypothecated to secure short-term borrowings. Refer to Note 24.

11 Cash & Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance with Banks :			
Current Accounts	464.22	1,336.75	1,626.69
Draft / Cheque on hand	-	-	16.05
Cash on Hand	113.97	100.79	212.51
Bank Deposit with maturity of 3 months or less	-	50.74	-
	578.19	**1,488.28**	**1,855.25**

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

12 Other Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Earmarked Balances with Banks			
Bank Deposit (Pledge with Government Department)	497.19	805.24	700.93
Less:- Shown Under "Other Financial Assets"(More than 12 months)	288.61	182.70	173.49
Unclaimed Dividend Accounts	36.66	29.39	25.05
Other Bank Balance			
Fixed Deposits held as Margin Money with Banks/ Financial institutions	339.45	806.00	1,101.91
Less:- Shown Under "Other Financial Assets"(More than 12 months)	217.28	556.43	992.05
Fixed Deposits with Banks	414.66	13.19	44.60
	782.07	**914.69**	**706.95**

13 Loans

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured, Considered Good Unless Stated Otherwise)			
Inter Corporate Deposit:-			
- To Others	600.00	600.00	1,250.00
Other Deposits			
- With Others	253.60	-	27.74
	853.60	**600.00**	**1,277.74**

14 Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Accrued Interest	409.84	486.40	290.04
Deposit with others	78.79	70.95	31.14
NSC (Pledge with Government Department)	0.60	0.60	0.60
	489.23	**557.95**	**321.78**

15 Current Tax Assets (net)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance Income Tax / Tax Deducted at Source [Net of Income Tax Provision of Rs 168.26 Lakhs, (as on March 31, 2017, Rs 100.66 Lakhs, as on April 1, 2016 Rs 287.21 Lakhs)]	144.74	43.08	30.30
	144.74	**43.08**	**30.30**

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

16 Other Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Prepaid Expenses	162.40	237.53	345.79
Export Incentive Receivable	327.17	148.06	106.26
Other Advances	1,569.17	1,136.94	1,407.97
Balance with Government Authorities	2,163.03	2,327.50	2,419.23
	4,221.77	**3,850.03**	**4,279.25**

17 Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised			
Equity Shares 12,50,00,000 (March 31, 2017- 12,50,00,000; April 1, 2016- 12,50,00,000) of Rs. 2 /-each	2,500.00	2,500.00	2,500.00
Issued, Subscribed and Paid up			
Equity Shares 4,23,79,426(March 31, 2017- 4,23,79,426; April 1, 2016- 4,23,79,426) of Rs 2/- each fully paid up	847.59	847.59	847.59
	847.59	**847.59**	**847.59**

a. Terms and rights attached to equity shares

The Company has only one class of Equity Shares having face value of Rs. 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.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

(₹ in Lakhs)

Particulars	Number of Shares	Amount
Outstanding as on April 1, 2016	**4,23,79,426**	**847.59**
Equity Shares issued/ bought back during the year	-	-
Outstanding as on March 31, 2017	**4,23,79,426**	**847.59**
Equity Shares issued/ bought back during the year	-	-
Outstanding as on March 31, 2018	**4,23,79,426**	**847.59**

c. List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
i) Bhilwara Holding Limited	92,02,200	90,09,840	90,09,840
ii) Sarvottam Vanijay Limited	63,32,500	62,12,980	62,12,980
iii) Scope Vinimoy Private Limited	35,52,500	34,91,075	34,91,075
iv) Latinia Limited	-	43,47,826	43,47,826
v) DSP Blackrock	23,85,414	25,96,383	22,66,946
	2,14,72,614	**2,56,58,104**	**2,53,28,667**

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

18 Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Capital Redemption Reserve		
Balance at the beginning of the year	0.03	0.03
Addition/ (Transfer) during the year	239.19	-
Closing balance	**239.22**	**0.03**
Security Premium Reserve		
Balance at the beginning of the year	16,389.03	16,389.03
Addition/ (Transfer) during the year	-	-
Closing balance	**16,389.03**	**16,389.03**
General Reserve		
Balance at the beginning of the year	5,114.38	5,114.38
Addition/ (Transfer) during the year	-	-
Closing balance	**5,114.38**	**5,114.38**
Retained earnings		
Balance at the beginning of the year	30,062.61	21,902.03
Transfer from Statement of Profit and Loss	7,044.42	9,815.80
Acquisition of Non Controlling Interest	(0.15)	(482.06)
Amount available for appropriation	**37,106.88**	**31,235.77**
Less : Appropriation:		
Transfer to Capital Redemption Reserve	239.19	-
Dividend Distributed	1,144.24	974.73
Dividend Distribution Tax	232.94	198.43
Closing Balance	**35,490.51**	**30,062.61**
Other Comprehensive Income		
Balance at the beginning of the year	3.36	(42.44)
Transfer from Statement of Profit and Loss	(15.84)	45.80
Closing Balance	**(12.48)**	**3.36**
Total Other Equity	**57,220.66**	**51,569.41**

19 Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured			
Term Loans			
- From Banks	16,170.28	16,933.83	16,530.92
- From Others	-	75.00	375.00
Car Loans			
- From Banks	1,195.02	1,062.15	801.58
- From Others	0.77	23.19	63.72

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

19 Borrowings (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Buyer's/Supplier's Credit	3,306.32	3,425.77	3,516.48
Unsecured			
- From Others	2,112.37	2,006.70	1,414.62
	22,784.76	**23,526.64**	**22,702.32**
Less: Current Maturities of Non Current Borrowings			
Term loans			
- From Banks	5,851.33	5,272.48	4,423.28
- From Others	-	75.00	300.00
Car Loans			
- From Banks	388.70	340.94	353.67
- From others	0.77	11.33	10.84
Buyer's/Supplier's Credit	**-**	**-**	**-**
Unsecured			
- From Others	-	-	-
	6,240.80	**5,699.75**	**5,087.79**
	16,543.96	**17,826.89**	**17,614.53**

Notes

1 Rupee loan of NIL (March 31, 2017 Rs. 75.00 lakhs, April 1, 2016 Rs. 375.00 lakhs) from others is secured by first pari passu charge on all fixed assets of the company both present and future except those specifically charged and Government Land at Kassar / Kadi. The aforesaid loan was paid in FY'17.

2 Rupee loan of Rs. 1,012.50 lakhs [(March 31, 2017 Rs. 1,687.50 lakhs) (April 1, 2016 Rs. 2,362.50 lakhs)] from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the company both present and future. The aforesaid loan is repayable in 6 equal quarterly installments starting from June, 2018.

3 Rupee loan of Rs. 900.00 lakhs (March 31, 2017 Rs. 1,350.00 lakhs, April 1, 2016 Rs. 1,800.00 lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the company both present and future. The aforesaid loan is repayable in 8 equal quarterly installments starting from June, 2018.

4 Rupee loan of NIL [(MArch 31, 2017 Rs. 784.49 lakhs) (April 1, 2016 Rs. 1,584.49 lakhs)] from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the company both present and future.

5 Rupee loan of Rs. 2,505.00 lakhs (March 31, 2017 Rs. 3,355.00 lakhs, April 1, 2016 Rs. 2,000.00 lakhs) from a Bank and Buyers'/Suppliers' credit of Rs. 2,215.56 lakhs (March 31, 2017 Rs. 2,145.66 lakhs, April 1, 2016 Rs. 2,228.09 lakhs). Equivalent to aggregate of USD 27.25 lakhs and Euro 5.33 lakhs (March 31, 2017 equivalent to aggregate of USD 27.25 lakhs and Euro 5.33 lakhs, April 1, 2016 Equivalent to aggregate of USD 27.25 lakhs and Euro 5.33 lakhs) are secured by first pari passu charges by way of hypothecation of Plant & Machinery and other movable fixed assets of the company situated at Kassar and Kadi plants excluding those exclusively charged to other Banks and second pari passu charge over

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

19 Borrowings (Contd.)

current assets of the company both present and future. Repayment of aforesaid loan is Rs. 1,100.00 lakhs, Rs. 1,450.00 lakhs, Rs. 1,700.00 lakhs, and Rs. 470.56 lakhs in FY19, FY20 and FY21 respectively.

6 Rupee loan of Rs. 3,000.00 lakhs (March 31, 2017 Nil, April 1, 2016 Nil) from a Bank and Buyers'/Suppliers' credit of Rs. 726.51 lakhs (March 31, 2017 Nil, April 1, 2016 Nil) Equivalent to aggregate of USD 11.10 lakhs (March 31, 2017 Nil, April 1, 2016 Nil) are secured by first pari passu charge by way of hypothecation of all movable fixed assets, both present and future, of the Company at Kassar & Kadi excluding assets those exclusively charged to other Banks. Repayment of aforesaid loan is Rs. 1,000.00 lakhs, Rs. 1,000.00 lakhs, Rs. 1,500.00 lakhs and Rs. 226.51 lakhs in FY19, FY20, FY21 and FY22 respectively.

7 Rupee loan of Rs. 340.44 Lakhs of subsidiary Company from a bank is secured by first pari passu charge by way of hypothecation of entire plant and machinery and all other fixed assets of the company both present and future and factory land & building and is repayable in stipulated monthly instalment as per sanction letter over 72 months starting from 1st April, 2019.

8 Buyers' Credit of Rs. 364.25 Lakhs {Equivalent to USD $ 560,000} of a subsidiary company is secured by first pari passu charges by first pari passu charge by way of hypothecation of entire plant and machinery and all other fixed assets of the company both present and future and factory land & building and is repayable as per sanction letter starting from 1st April, 2019

9 Rupee loan of Rs. 831.19 Lakhs (March 31, 2017 Rs. 1,545.84 Lakhs, April 1, 2016 Rs. 1,745.27 Lakhs) of subsidiary company is primary secured by way of equitable mortgage of factory buildings and hypothecation of all moveable assets of the company both present and future. The said credit facility is further secured by equitable mortgage of properties owned by the promoters of the company and personal guarantee of the promoters. The loan is repayable in the stipulated monthly of installments.

10 Rupee loan of Rs. 1,581.52 Lakhs (March 31, 2017 Rs. 1,698.20 Lakhs, April 1, 2016 Rs. 353.21 Lakhs) of subsidiary company from banks is secured by first pari passu charge on all fixed assets (both present and future) including equitable mortgage of land and building and entire current assets (both present and future) and personal guarantee of promoters. The aforesaid loan is repayable in 51 equal monthly installment starting from August, 2017.

11 Rupee Loan of Rs. 1,770.83 Lakhs (March 31, 2017 Rs. 2,187.50 Lakhs, April 1,2016 Rs 2,500.00 Lakhs) of subsidiary company from a Bank is secured by exclusive charge on movable and immovable fixed assets and current assets of the company both present and future and also personal guarantee of promoters. The said loan is repayable in 17 equal quarterly installments.

12 Rupee loan of Nil (March 31, 2017 Rs 210.60 lakhs, April 1, 2016 Rs 380.40 Lakhs) of subsidiary company from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the company both present and future. The aforesaid loan is repayable in 14 equal monthly installments.

13 Rupee loan of Rs. 419.33 Lakhs (March 31, 2017 Rs 459.33 Lakhs, April 1, 2016 Rs 489.33 Lakhs) of subsidiary company is secured by hypothecation of all existing and proposed plant & machineries and other assets,equitable mortgage of factory land and building,personal guarantee from certain directors & their relatives. It is further secured by equitable mortgage of Open Industrial land Located at village : Bhadiyad and is repayable in 16 equal installment of Rs. 25 Lakhs and balance in last installment.

14 Rupee loan of Rs.1,650.00 Lakhs (March 31, 2017 Rs 1,600.23 Lakhs, April 1, 2016 Nil) of subsidiary company is secured by hypothecation of all existing and proposed plant & machineries and other assets,equitable mortgage of factory land and building,personal guarantee from certain directors & their relatives. It is further secured by equitable mortgage of Open Industrial land Located at village : Bhadiyad and is repayable in 10 equal installment of Rs. 20 Lakhs., 5 equal installment of Rs. 50 Lakhs, 13 equal installment of Rs. 75 Lakhs, 1 installment of Rs. 110 Lakhs and balance in last installment.

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

19 Borrowings (Contd.)

15 Rupee loan of Rs. 225.00 Lakhs (March 31, 2017 NIL, April 1, 2016 NIL) of subsidiary company is secured by hypothecation of all existing and proposed plant & machineries and other assets,equitable mortgage of factory land and building,personal guarantee from certain directors & their relatives. It is further secured by equitable mortgage of Open Industrial land Located at village : Bhadiyad and is repayble in 30 equal quarterly installment of Rs. 7.5 Lakhs.

16 Rupee loan of Nil (March 31, 2017 Rs 283.33 Lakhs, April 1, 2016 Rs 566.66 Lakhs) of subsidiary company is secured by hypothecation of all existing and proposed plant & machineries and other assets,equitable mortgage of factory land and building,personal guarantee from certain directors & their relatives. It is further secured by equitable mortgage of Open Industrial land Located at village : Bhadiyad .

17 Rupee Loan of Rs. 704.48 Lakhs (March 31, 2017 Rs. 947.83 Lakhs, Arpil 1, 2016 Rs. 1,160.06 Lakhs) of subsidiary company from a Bank is secured by way of hypothecation of entire plant and machinery & other fixed assets of the company (present and future) and equitable mortgage over factory land & building of the company. The said loan is further collaterally secured by extension of hypothecation of entire current assets of the company (both current and future), equitable mortgage over factory land & building of the company, properties owned by the promoters and their families and also personal guarantees of promoters. The said loan is repayable in FY19 (Rs. 300 Lakhs), FY20 (Rs. 360 Lakhs) and FY21 (Balance amount).

18 Rupee Loan of Nil (March 31, 2017 Rs. 1,280.11 Lakhs, April 1, 2016 Rs. 1,288.39 Lakhs) of subsidiary in form of Buyers' credit {Equivalent to Nil (March 31, 2017 USD 19.4 Lakhs, April 1, 2016 USD 19.4 Lakhs)} 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.

19 Rupee Loan of Rs. 1,230.00 Lakhs (March 31, 2017 Rs. 823.98 Lakhs, April 1, 2016 Rs. 1,589.00 Lakhs) from a Bank is secured by way of hypothecation of entire plant and machinery & other fixed assets of the company (present and future) and equitable mortgage over factory land & building of the company. The said loan is further collaterally secured by extension of hypothecation of entire current assets of the company (both current and future), equitable mortgage over factory land & building of the company, properties owned by the promoters and their families and also personal guarantees of promoters.

20 Unsecured loans from others in subsidiary companies will be repaid once the existing loans from banks are fully repaid or as may be mutually agreed between that companies and their banks

21 Car loan from Banks and others are secured by hypothecation of cars purchased there under and are repayable in monthly installments over the period of loan.

22 Rate of interest applicable to all term loans is linked with MCLR.

20 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade Deposit	1,871.35	1,643.89	2,510.19
Security Deposit	183.92	215.98	360.32
Others	202.50	202.50	202.50
Preference share (Debt portion)	-	343.00	343.00
	2,257.77	**2,405.37**	**3,416.01**
Less:-Current Maturities	27.82	27.82	69.63
	2,229.95	**2,377.55**	**3,346.38**

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

21 Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Employees Benefits	480.91	442.60	360.67
	480.91	**442.60**	**360.67**

22 Deferred tax liabilities (net)

A. Movement in deferred tax balances

(₹ in Lakhs)

Particulars	As at March 31, 2017	Recognized in P&L	Recognized in OCI	As at March 31, 2018
Deferred Tax Assets				
Accrued expenses	282.10	53.32	8.50	343.92
MAT Credit Entitlement	314.37	(2.03)	-	312.34
Others	(32.57)	141.98	-	109.41
Sub- Total (a)	**563.90**	**193.27**	**8.50**	**765.67**
Deferred Tax Liabilities				
Property, plant and equipment	5,280.40	701.98	-	5,982.38
Others	22.48	(3.20)	-	19.28
Sub- Total (b)	**5,302.88**	**698.78**	**-**	**6,001.66**
Net Deferred Tax Liability (b)-(a)	**4,738.98**	**505.51**	**(8.50)**	**5,235.99**

(₹ in Lakhs)

Particulars	As at April 1, 2016	Recognized in P&L	Recognized in OCI	As at March 31, 2017
Deferred Tax Assets				
Accrued expenses	268.49	70.12	(24.24)	314.37
MAT Credit Entitlement	206.98	75.12		282.10
Others	75.23	(107.80)		(32.57)
Sub- Total (a)	**550.70**	**37.44**	**(24.24)**	**563.90**
Deferred Tax Liabilities				
Property, plant and equipment	4,061.48	1,218.92		5,280.40
Others	31.00	(8.52)		22.48
Sub- Total (b)	**4,092.48**	**1,210.40**	**-**	**5,302.88**
Net Deferred Tax Liability (b)-(a)	**3,541.78**	**1,172.96**	**24.24**	**4,738.98**

B. Amounts recognised in profit or loss

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax expense		
Current year	3,422.01	4,978.16
Income tax for earlier year	(2.06)	(1.13)
	3,419.95	**4,977.03**
Deferred tax expense		
Origination and reversal of temporary differences	505.51	1,172.96
	505.51	**1,172.96**
Total Tax Expense	**3,925.46**	**6,149.99**

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

22 Deferred tax liabilities (net) (Contd.)

C. Amounts recognised in Other Comprehensive Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Deferred Tax Charge/(Credit)		
Remeasurements of defined benefit liability	(8.50)	24.24
	(8.50)	**24.24**

D. Reconciliation of effective tax rate

(₹ in Lakhs)

Particulars	Rate	For the year ended March 31, 2018	Rate	For the year ended March 31, 2017
Accounting Profit before tax		**11,835.59**		**17,653.48**
Tax using the Company's domestic tax rate	34.61%	4,096.06	34.61%	6,109.52
Tax effect of:				
Non-deductible expenses		73.23		92.54
Tax-exempt income		-		(8.27)
Changes in estimates related to prior years		(2.06)		(1.13)
Previously unrecognised deferred tax now recognised		(6.66)		(26.07)
Others (including change in Tax Rate)		(235.11)		(16.60)
At the Effective Income Tax Rate	33.17%	3,925.46	34.84%	6,149.99

23 Other Non-Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security Deposit	363.78	254.99	144.52
Less: Current Maturities	81.06	21.68	26.36
	282.72	**233.31**	**118.16**

24 Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured Loans:			
Working Capital Facilities from Banks*			
Working Capital Demand Loans	2,633.64	1,801.78	3,404.38
Cash Credit	13,563.50	10,627.47	7,340.21
Buyer's Import Credit	1,026.14	1,037.39	1,660.09
Unsecured Loans:			
From Body Corporate/Banks/ Others (Repayable on demand)	3,319.38	2,501.10	-
Bills Payable	10,636.62	10,204.26	9,021.68
	31,179.28	**26,172.00**	**21,426.36**

*Working Capital Facilities from Banks are secured by:

1 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

2 Second and subservient charge by way of (i) Equitable Mortgage (EM) on all properties, both present and future, and (ii) hypothecation of all movable fixed assets & ranking pari-passu, excluding assets exclusively charged. EM over certain land pieces is yet to be created.

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

25 Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Outstanding dues of Micro Enterprises and Small Enterprises#	-	-	-
Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	23,316.10	16,364.77	12,412.10
	23,316.10	**16,364.77**	**12,412.10**

#'The Company has not received any intimation from its suppliers being registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSME). Hence the necessary disclosure required under MSME can not be made.

26 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Maturities of Non Current Borrowings	6,240.81	5,699.75	5,087.79
Current Maturities of Other Non Current Liabilities	27.82	27.82	69.63
Interest Accrued	94.04	57.29	122.31
Capital Creditors	907.33	243.54	915.29
Unclaimed Dividends	36.66	29.39	25.05
Preference share (Debt portion)	113.19	-	-
	7,419.85	**6,057.79**	**6,220.07**

27 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory Dues	2,552.08	1,878.26	1,707.44
Security Deposit	112.03	56.65	39.31
Advance from Customers	929.15	1,456.73	1,360.44
Others*	5,293.16	5,477.88	4,481.25
	8,886.42	**8,869.52**	**7,588.44**

*includes accruals to employees and others

28 Short Term Provision

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Employees Benefits	65.08	122.34	141.66
	65.08	**122.34**	**141.66**

29 Current tax Liabilities (net)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income Tax [Net of Advance March 31, 2018-Rs. 15,590.71 Lakhs; March 31, 2017-Rs 13,169.58 Lakhs; April 1, 2016-Rs 8,331.65 Lakhs)]	610.59	361.77	319.08
	610.59	**361.77**	**319.08**

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

30 Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sales of Goods	1,74,292.31	1,90,212.64
Other Operating Revenue		
Scrap Sales	345.06	227.28
Sundry Balance Written Back	52.09	50.62
Insurance Claim Received	52.36	27.30
	1,74,741.82	**1,90,517.84**
Less: Capitalized/ Transferred to CWIP	23.18	-
	1,74,718.64	**1,90,517.84**

31 Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income	1,281.70	975.97
Profit on Sale of Property, Plant and Equipments	102.65	72.37
Profit on Sale of Current Investments	213.57	359.83
Net Gain on Foreign Currency Translations and Transactions	155.78	233.57
Miscellaneous Income	151.62	75.36
	1,905.32	**1,717.10**
Less: Capitalized/ Transferred to CWIP	93.95	-
	1,811.37	**1,717.10**

32 Cost of Materials Consumed

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Material Consumed	38,754.62	40,502.30
Packing Material Consumed	6,991.57	6,393.90
	45,746.19	**46,896.20**
Less: Capitalized/ Transferred to CWIP	177.29	-
	45,568.90	**46,896.20**

33 Change in Inventories of Finished Goods Work-in-progress and Stock-in-Trade

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Closing Stock		
Finished Goods	12,589.71	10,186.29
Stock-in-Trade	3,008.83	2,724.54
Total Finished Goods	15,598.54	12,910.83

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

33 Change in Inventories of Finished Goods Work-in-progress and Stock-in-Trade

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Work-in-Progress	1,485.37	1,235.73
	17,083.91	**14,146.56**
Less: Opening Stock		
Finished Goods*	10,309.13	10,046.41
Stock-in-Trade	2,724.54	3,275.33
Total Finished Goods	13,033.67	13,321.74
Work-in-Progress	1,235.73	732.01
	14,269.40	**14,053.75**
(Increase)/ Decrease in Stock	(2,814.51)	(92.81)
Add / (Less): (Increase) Decrease in Excise duty on Stock	1,007.42	(210.45)
	(3,821.93)	**117.64**

* includes transfer on commissioning of New product line by the Company on December 7, 2017 of Rs. 122.84 Lakhs (Previous Year; Nil)

34 Employee Benefit Expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salary, Wages, Bonus etc.	20,483.75	17,799.63
Contribution to Provident Fund and Other Funds	723.70	758.83
Workmen & Staff Welfare	571.64	664.29
	21,779.09	**19,222.75**
Less: Capitalized/ Transferred to CWIP	33.68	-
	21,745.41	**19,222.75**

35 Finance Costs

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest	3,901.87	3,657.91
Other Borrowing Costs	218.22	239.48
	4,120.09	**3,897.39**
Less: Capitalized/ Transferred to CWIP	128.05	-
	3,992.04	**3,897.39**

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

36 Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Stores and Spare Parts Consumed	6,503.11	6,690.67
Power & Fuel	34,880.50	32,087.36
Repairs and Maintainance:		
Buildings	161.44	226.71
Plant & Machinery	538.82	625.62
Others	236.86	232.35
Rent	978.86	834.64
Rates & Taxes	238.63	827.39
Insurance	224.56	254.43
Travelling & Conveyance	2,398.69	2,062.26
Freight Outward and Handling Charges	4,361.50	5,563.61
Advertisement & Sales Promotion	5,954.85	6,653.86
Commission to Agents	442.94	711.79
CSR Expenses	197.75	135.93
Provision for Doubtful Debts and Recoverables	119.65	49.66
Sundry Balances Written Off	17.94	0.05
Loss on Sale of Property, Plant and Equipment	393.90	15.21
Property, Plant and Equipment Discard /Written Off	-	115.23
Movement in Fair Value of Investments	61.27	84.96
Other Expenses	2,742.10	2,626.33
	60,453.37	59,798.06
Less: Capitalized/ Transferred to CWIP	201.35	-
	60,252.02	**59,798.06**

37 Earning per share

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit for the year	7,044.42	9,815.80
Weighted average number of equity shares of Rs. 2/- each	4,23,79,426	4,23,79,426
EPS - Basic and Diluted (Per share in Rs.)	16.62	23.15

38 Contingent liabilities, contingent assets and commitments

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A. (i) Contingent liabilities (not provided for) in respect of:			
1. Claim and other demands against the Group not acknowledged as debts.	162.92	511.99	389.84

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

38 Contingent liabilities, contingent assets and commitments (Contd.)

(₹ in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
2.	Sales Tax and purchase tax demands, among others against which the Group has preferred appeals.	850.17	964.54	858.81
3.	Excise and custom duty (excluding interest and penalty) and service tax demands and show-cause notices issued against which the Group/Department has preferred appeals/filed replies.	36.60	35.85	44.66
4.	Disputed income tax and wealth tax demand (excluding penalty if any).	106.41	91.93	155.29
5.	a) On the pending matter of LADT / Entry Tax by the State of Haryana, the Hon'ble Supreme Court of India has upheld the constitutional validity of levy of the said tax but left certain issues to be decided by the High Court of Punjab and Haryana and at the same time allowed all petitioners including the company to initiate petitions before the said High Court giving factual background and raising specific issues in the matter. Till such time the said High Court disposes of / decides in the matter, the liability on this account, if any remains indeterminate. In view of this no provision on this account is considered necessary by the Management.	810.78	795.39	731.52
	b) Entry Tax matter pending before Hon'ble High Court of Calcutta.	38.88	38.88	28.08
6.	Demand notice from ESIC	15.41	15.41	15.41
B.	Outstanding Corporate Guarantee to banks in respect of various fund/non fund based facilities extended to subsidiary/other body corporates.	-	-	2,033.62

C. Others

(i) During the financial year 2012-13, a demand of Rs. 925.65 lakhs (including interest of Rs. 97.41 lakhs) 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 Rs 1,606.91 Lakhs (March 31, 2017 Rs. 1,481.22 Lakhs) [including interest of Rs 778.67 Lakhs (March 31, 2017 - Rs. 652.98 lakhs)] as on March 31, 2018. 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 Rs 118. lakhs. On August 4, 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.

(ii) Others Financial Liabilities includes encashment of bank guarantee in earlier years provided by a 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 Calcutta. pending final decision, no adjustment has been carried out in accounts.

(iii) The Group has procured certain capital goods under EPCG scheme at concessional rate of duty. As on March 31, 2018 the company is contingently liable to pay differential custom duty of Rs. 476.74 Lakhs (March 31, 2017 - Rs.265.34 Lakhs, April 1, 2016 Rs. 681.17 Lakhs) on such procurement. In view of past export performance and future projections, the management is hopeful of completing the export obligation within stipulated time, and expect no cash outflow on this account.

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

38 Contingent liabilities, contingent assets and commitments (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
D. Commitments			
Estimated amount of Contracts remaining to be executed on Capital Account not provided for [Net of Advances]	1,180.47	3,674.32	311.82

39 Interest in Joint Venture Company

a) Company's contribution in the joint venture (by the name SKPL Ceramics. Pvt. Ltd. (Formerly Somany Keraben Pvt Ltd.), a 50:50 Joint Venture Company) till June 1, 2017 is Rs. 89.30 lakhs (Previous year Rs 89.30 lakhs) towards share capital of Joint Venture entity. The company is in process of striking off.

Pursuant to IndAS 28 "Investment in Associate and Joint Venture" the relevant information relating to Joint Venture Company (JVC) are given below:

Name of the JVC	SKPL Ceramics. Pvt. Ltd. (Formerly Somany Keraben Pvt Ltd.)	
Principal Place of Business and Country of Incorporation	India	India
Proportion of Ownership Interest	50%	50%

b) The Company's share in the aggregate amounts of each of the assets, liabilities, income, expense, contingent liabilities and capital commitments in the above company, as per its audited financial statements is as under:

(₹ in Lakhs)

Proportion of Company's Interest in JVC	March 31, 2017 (Audited)	April 1, 2016 (Audited)
Assets		
Cash and Cash Equivalents	1.00	1.18
Liabilities		
Current liabilities	0.87	0.07
Other Income		
Miscellaneous income	-	10.03
Expenses		
Administrative and other expenses	1.11	11.53
Contingent Liabilities and Capital Commitments	-	-

40 Foreign exchange derivatives and exposures outstanding at the year-end:

Name	Amount (Foreign Currency in Lakhs)	Amount (Equivalent Ruppes in Lakhs)	Amount (Foreign Currency in Lakhs)	Amount (Equivalent Ruppes in Lakhs)	Amount (Foreign Currency in Lakhs)	Amount (Equivalent Ruppes in Lakhs)
	March 31, 2018		March 31, 2017		April 1, 2016	
Derivatives						
Forward contract	-	-	-	-	-	-
Open Exposures						
Receivables-USD	12.65	820.28	16.83	1,087.73	3.98	262.63
Receivables-EURO	0.21	16.93	-	-	-	-
Payables-USD	60.78	3,929.91	61.99	4,032.21	51.75	3,618.29
Payables-EURO	10.19	824.17	7.13	497.74	8.37	633.90

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

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

Loan given for business purpose

(₹ in Lakhs)

Name	Terms of repayment	For the year ended	
		March 31, 2018	March 31, 2017
Zealous Financial Services Pvt. Ltd.	Within one year	500.00	500.00
Tinna Rubber & Infrastructure Ltd.	Within one year	100.00	100.00

42 Employee benefits

The Group contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Group makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

(₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Contribution to government Provident Fund	568.39	529.14

Contributions to Provident and other Funds' of the statement of Profit and Loss includes Rs. 568.39 lakhs (Previous year Rs. 529.14 lakhs) towards contribution to Provident Fund [including Rs. 190.45 lakhs (Previous year Rs. 171.11 lakhs) towards Somany Provident Fund, a multi-employer plan]

(ii) Defined Benefit Plan:

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the Group.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Movement in net defined benefit (asset)/liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

(₹ in Lakhs)

Particulars	March 31, 2018			March 31, 2017		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	1,258.90	1,286.83	(27.92)	1,123.72	1,074.51	49.21
Included in profit or loss						
Current service cost	132.00	-	132.00	225.85	-	225.85
Interest cost / (income)	92.23	(94.58)	(2.36)	89.81	(85.96)	3.85

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

42 Employee benefits (Contd.)

(₹ in Lakhs)

Particulars	March 31, 2018			March 31, 2017		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Past Service Cost including curtailment Gains/Losses	25.67	-	25.67	-	-	-
	249.89	**(94.58)**	**155.31**	**315.66**	**(85.96)**	**229.70**
Included in OCI						
Remeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	(40.56)	-	(40.56)	63.60	-	63.60
- experience adjustment	69.30	-	69.30	(68.90)	-	(68.90)
– on plan assets	-	(4.40)	(4.40)	-	(64.74)	(64.74)
	28.74	(4.40)	24.34	(5.30)	(64.74)	(70.04)
Other						
Contributions paid by the employer	-	-	-	-	(135.00)	(135.00)
Benefits paid	(163.79)	-	(163.79)	(175.18)	73.38	(101.80)
Acquisition adjustment	-	-	-	-	-	-
	(163.79)	-	(163.79)	(175.18)	(61.62)	(236.80)
Balance as at 31 March	1,373.75	1,385.81	(12.06)	1,258.90	1,286.83	(27.92)

B. Plan assets

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Fund managed by insurer	100%	100%	100%
	100%	**100%**	**100%**

C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	March 31, 2018	March 31, 2017
Discount rate	7.71%	7.35%
Expected rate of future salary increase	5.00%	5.00%
Mortality	100% of IALM (2006 - 08)	

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The company expects to pay Rs. 141.49 Lakhs (Previous year Rs. 132.42 Lakhs) in contribution to its defined benefit plans in the next year.

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

42 Employee benefits (Contd.)

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(53.55)	57.63	(50.15)	54.12
Expected rate of future salary increase (0.5% movement)	56.06	(52.76)	55.10	(51.47)

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

E. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follow -

A) **Salary Increases-** Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) **Investment Risk –** Assets and liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) **Discount Rate -** Reduction in discount rate in subsequent valuations can increase the plan's liability.

43 Related parties

A. Related parties and their relationships

i Key Managerial Personnel (KMP) and their relatives

Name	Relationship
Mr. Shreekant Somany	Chairman & Managing Director
Mr. Abhishek Somany	Managing Director (Son of Chairman & Managing Director)
Mrs. Anjana Somany	Whole time Director (Wife of Chairman & Managing Director) (w.e.f. May 21, 2016)
Mr. G.G. Trivedi	Additional Director w.e.f. September 01, 2017 (CEO upto August 31, 2017)
Mr. T.R. Maheshwari^	CEO w.e.f. January 30, 2018 (Deputy CEO and CFO upto January 29, 2018)
Mr. Saikat Mukhopadhyay^	CFO w.e.f January 30, 2018
Mr. Ambrish Julka^	DGM (Legal) & Company Secretary
Mrs. Minal Somany	Wife of Managing Director
Mr. G. L. Sultania	Non- Executive Director
Mr. R.K. Daga	Non- Executive Director
Mr. Ravindra Nath	Non- Executive Director

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

43 Related parties (Contd.)

Mr. Salil Singhal	Non- Executive Director
Mr. Y. K. Alagh	Non- Executive Director
Mr. Narayan Anand	Non- Executive Director (upto April 12, 2017)

^ KMP under the Companies Act, 2013.

ii Associate (Joint Venture upto June 1, 2017)

SKPL Ceramics Private Limited (Formerly Somany Keraben Private Limited) upto June 1, 2017*

* The Company has terminated the Joint Venture Agreement with Keraben Grupo S.A. w.e.f. June 1, 2017. Now the Company is under the process of Strike Off.

iii. Enterprise over which the Company exercise significant influence and with whom transactions have taken place during the year:

H. L. Somany Foundation

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

Schablona India Limited (w.e.f. January 10, 2018)

Vidres India Ceramics Private Limited

Yogi Cerachem Private Limited

Ishiv India Solutions Private Limited

v. Other related parties with which Company has transactions:

Name	Relationship
Biba Apparels Private Limted	Private company in which director is a director
Ashiana Housing Limited	Public company in which director is a director
Shree Cement Limited	Public 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

B. Transactions with the above in the ordinary course of business (₹ in Lakhs)

Nature of Transactions	Key Managerial Personnel For the year ended	
	March 31, 2018	March 31, 2017
a) Payments to Key Managerial Personnel and their relatives		
Mr. Shreekant Somany		
- Remuneration	340.97	262.84
- Commission	146.14	386.03
Outstanding at the year-end:		
- Commission Payable	146.14	386.03
Mr. Abhishek Somany		
-Remuneration	294.78	244.65
- Commission	192.33	386.03
- Rent Paid	8.92	8.65

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

43 Related parties (Contd.)

B. Transactions with the above in the ordinary course of business

(₹ in Lakhs)

Nature of Transactions	Key Managerial Personnel For the year ended	
	March 31, 2018	March 31, 2017
Outstanding at the year-end:		
- Commission Payable	192.33	386.03
Mrs. Anjana Somany		
- Remuneration	26.99	23.19
- Commission	-	0.68
- Rent Paid	3.05	2.90
Outstanding at the year-end:		
- Remuneration Payable	-	-
Mrs. Minal Somany		
- Remuneration	27.15	27.15
- Rent Paid	17.32	30.08
Outstanding at the year-end:		
- Salary Payable	1.31	-
Mr. G.G. Trivedi		
- Remuneration	197.80	123.17
- Consultancy Fees	29.50	-
- Commission	2.90	-
- Sitting Fees	0.45	-
Outstanding at the year-end:		
- Commission Payable	2.61	-
- Consultancy Fee Payable	-	-
Mr. T.R. Maheshwari		
- Remuneration	115.64	93.21
Outstanding at the year-end:		
- Salary Payable	3.50	-
- Advance Receivable	30.00	30.00
Mr. Saikat Mukhopadhyay		
- Remuneration	18.18	-
Outstanding at the year-end:		
- Salary Payable	5.82	-
Mr. Ambrish Julka		
- Remuneration	25.78	21.65
Outstanding at the year-end:		
- Salary Payable	1.06	-
Non- Executive Directors		
Mr. G. L. Sultania		
- Commission	5.00	5.00
- Sitting Fees	1.35	1.10

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

43 Related parties (Contd.)

B. Transactions with the above in the ordinary course of business

(₹ in Lakhs)

Nature of Transactions	Key Managerial Personnel For the year ended	
	March 31, 2018	March 31, 2017
Outstanding at the year-end:		
- Commission Payable	4.50	4.50
Mr. Siddharath Bindra		
- Commission	5.00	5.00
- Sitting Fees	1.20	0.70
Outstanding at the year-end:		
- Commission Payable	4.50	4.50
Mr. R.K. Daga		
- Commission	5.00	5.00
- Sitting Fees	1.40	1.15
Outstanding at the year-end:		
- Commission Payable	4.50	4.50
Mr. Ravindra Nath		
- Commission	5.00	5.00
- Sitting Fees	0.55	0.85
Outstanding at the year-end:		
- Commission Payable	4.50	4.50
Mr. Salil Singhal		
- Commission	5.00	5.00
- Sitting Fees	1.10	0.85
Outstanding at the year-end:		
- Commission Payable	4.50	4.50
Mr. Y. K. Alagh		
- Commission	5.00	5.00
- Sitting Fees	0.20	0.85
Outstanding at the year-end:		
- Commission Payable	4.50	4.50
Mr. Narayan Anand		
- Commission	-	5.00
- Sitting Fees	-	0.45
Outstanding at the year-end:		
- Commission Payable	-	4.50
Summary of payment made to KMP		
Short term employee benefits*	1,267.03	1,568.60
Post employment benefits	118.73	-
Other Payments	58.79	41.63

* excludes provision in respect of gratuity and compensated absences as the same is determined on an actuarial basis for company as whole.

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

43 Related parties (Contd.)

B. Transactions with the above in the ordinary course of business (₹ in Lakhs)

Nature of Transactions	For the year ended	
	March 31, 2018	March 31, 2017
b) **SKPL Ceramics. Pvt. Ltd. (Formerly Somany Keraben Pvt Ltd.)**		
Payment made on their behalf	0.14	0.16
c) **With Other Related Parties are as under:-**		
Schablona India Limited		
- Purchase Of Goods	57.41	-
- Sales of Goods	338.47	-
- Rent Received	3.66	-
Outstanding at the year-end:		
- Sundry Payables	14.03	-
- Sundry Receivable	1,175.13	-
Biba Apparels Private Limted		
- Sale of Goods	7.31	24.10
Outstanding at the year-end:		
- Trade Receivable	0.20	0.26
Aashiana Housing Limited		
- Sale of Goods	-	327.83
Outstanding at the year-end:		
- Trade Receivable	-	35.06
Shree Cement Limited		
- Purchase of goods	34.26	23.80
Wolkem India Limited		
- Purchase of goods	11.61	15.56
G.L. Sultania & Co.		
- Consultancy Fees	-	6.00
Yogi Cerachem Private Limited		
- Purchase of goods	33.39	67.58
Outstanding at the year-end:		
- Trade Payable	1.77	7.75
Vidres India Ceramics Private Limited		
- Purchase of goods	4,100.41	5,717.19
Outstanding at the year-end:		
- Trade Payable	155.38	538.94
H. L. Somany Foundation		
- Contribution towards CSR Activities	180.52	265.00
- Payments made on their behalf	1.39	0.80
Ishiv India Solution Private Limited		
- Purchase of goods	184.44	543.20
- Services Received	23.37	7.32
Outstanding at the year-end:		
- Trade Payable	8.89	44.95

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

44 Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets						
Investments						
Non Current	-		-	-	-	-
Current	11,418.47	-	11,855.74	-	9,022.09	-
Loans						
Non Current	-	25.00	-	25.00	-	25.00
Current	-	853.60	-	600.00	-	1,277.74
Trade receivables	-	50,371.50	-	42,680.34	-	32,267.09
Cash and cash equivalents	-	578.19	-	1,488.28	-	1,855.25
Bank balances other than above	-	782.07	-	914.69	-	706.95
Others						
Non Current	-	1,073.66	-	1,236.48	-	1,627.30
Current	-	489.23	-	557.95	-	321.78
	11,418.47	**54,173.25**	**11,855.74**	**47,502.74**	**9,022.09**	**38,081.11**
Financial Liabilities						
Borrowings						
Non Current	-	16,543.96	-	17,826.89	-	17,614.53
Current	-	31,179.28	-	26,172.00	-	21,426.36
Other financial liabilities						
Non-current	-	2,229.95	-	2,377.55	-	3,346.38
Current	-	7,419.85	-	6,057.79	-	6,220.07
Trade payables	-	23,316.10	-	16,364.77	-	12,412.10
	-	**80,689.14**	**-**	**68,799.00**	**-**	**61,019.44**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Lakhs)

Particulars	As at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	2,104.23	9,314.24	-	11,418.47
Total financial assets	**2,104.23**	**9,314.24**	**-**	**11,418.47**

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

44 Financial instruments – Fair values and risk management (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	507.59	11,348.15	-	11,855.74
Total financial assets	**507.59**	**11,348.15**	**-**	**11,855.74**

(₹ in Lakhs)

Particulars	As at April 1, 2016			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	3,250.62	5,771.13	0.34	9,022.09
Total financial assets	**3,250.62**	**5,771.13**	**0.34**	**9,022.09**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

C. Financial assets and liabilities measured at amortised cost

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Loans						
Non Current	25.00	25.00	25.00	25.00	25.00	25.00
Current	853.60	853.60	600.00	600.00	1,277.74	1,277.74
Trade receivables	50,371.50	50,371.50	42,680.34	42,680.34	32,267.09	32,267.09
Cash and cash equivalents	578.19	578.19	1,488.28	1,488.28	1,855.25	1,855.25
Bank balances other than above	782.07	782.07	914.69	914.69	706.95	706.95
Others						
Non Current	1,073.66	1,073.66	1,236.48	1,236.48	1,627.30	1,627.30
Current	489.23	489.23	557.95	557.95	321.78	321.78
	54,173.25	**54,173.25**	**47,502.74**	**47,502.74**	**38,081.11**	**38,081.11**

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

44 Financial instruments – Fair values and risk management (Contd.)

C. Financial assets and liabilities measured at amortised cost

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities						
Borrowings						
Non Current	16,543.96	16,543.96	17,826.89	17,826.89	17,614.53	17,614.53
Current	31,179.28	31,179.28	26,172.00	26,172.00	21,426.36	21,426.36
Other financial liabilities						
Non-current	2,229.95	2,229.95	2,377.55	2,377.55	3,346.38	3,346.38
Current	7,419.85	7,419.85	6,057.79	6,057.79	6,220.07	6,220.07
Trade payables	23,316.10	23,316.10	16,364.77	16,364.77	12,412.10	12,412.10
	80,689.14	**80,689.14**	**68,799.00**	**68,799.00**	**61,019.44**	**61,019.44**

The management considers that the carrying amount of financial assets and financial liabilities carried as amortised cost approximates their fair value.

II. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the processes to control risks through defined framework.

The Company's risk management policy is established to identify and analyse the risks faced by the Group, to set appropriate controls. Risk management policy is reviewed by the board annually to reflect changes in market conditions and the Group's activities.

The Company's Audit Committee oversees compliance with the Company's risk management policy, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Financial loss to the Group, arising, if a customer or counterparty to a financial instrument fails to meet its contractual obligations principally from the Group's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Group monitor credit risk closely both in domestic and export market.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

44 Financial instruments – Fair values and risk management (Contd.)

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Group's review includes market check, industry feedback, past Financial and external ratings, if they are available, and in some cases bank reference checks are also done. Sales credit limit are set up for each customer and reviewed periodically.

The Group creates allowances for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The gross carrying amount of trade receivables is Rs 50,371.50 Lakhs (March 31,2017 -Rs. 42,680.34 Lakhs, April 1, 2016 - Rs.32,267.09 Lakhs).

Reconciliation of loss allowance provision – Trade receivables (₹ in Lakhs)

Name	For the year ended	
	March 31, 2018	March 31, 2017
Opening balance	216.25	166.59
Changes in loss allowance	99.43	49.66
Closing balance	**315.68**	**216.25**

Investments

Group invests in Bonds, Debentures, Liquid Mutual Funds etc., in accordance with the Company's Investment Policy that includes parameters of safety, liquidity and post tax returns. Group avoids the concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position as well as held to maturity policy. The Group's exposure and credit ratings of its counterparties are monitored on an ongoing basis. Based on historical experience and credit profiles of counterparties, the Group does not expect any significant risk of default.

iii. Liquidity risk

Liquidity risk is the risk that the Group may face difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to manage liquidity is to ensure, as far as possible, sufficient liquidity to meet its obligations, under both normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

(₹ in Lakhs)

Particulars	Carrying Amount March 31, 2018	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Borrowings	22,784.76	-	6,240.80	15,752.62	791.34
Other non-current financial liabilities	2,257.77	-	27.82	2,229.95	-

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

44 Financial instruments – Fair values and risk management (Contd.)

(₹ in Lakhs)

Particulars	Carrying Amount March 31, 2018	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Short term borrowings	31,179.28	16,427.66	14,751.62	-	-
Trade payables	23,316.10	-	23,316.10	-	-
Other current financial liabilities	1,151.22	-	1,151.22	-	-
Total Financial liabilities	**80,689.13**	**16,427.66**	**45,487.56**	**17,982.57**	**791.34**

(₹ in Lakhs)

Particulars	Carrying Amount March 31, 2017	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Borrowings	23,526.64	-	5,699.75	17,346.90	479.99
Other non-current financial liabilities	2,405.37	-	27.82	2,377.55	-
Short term borrowings	26,172.00	12,429.25	13,742.75	-	-
Trade payables	16,364.77	-	16,364.77	-	-
Other current financial liabilities	330.22	-	330.22	-	-
Total Financial liabilities	**68,799.00**	**12,429.25**	**36,165.31**	**19,724.45**	**479.99**

(₹ in Lakhs)

Particulars	Carrying Amount April 1, 2016	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Borrowings	22,702.32	-	5,087.79	17,527.98	86.55
Other non-current financial liabilities	3,416.01	-	69.63	3,346.38	-
Short term borrowings	21,426.36	10,744.59	10,681.77	-	-
Trade payables	12,412.10	-	12,412.10	-	-
Other current financial liabilities	1,062.65		1,062.65	-	-
Total Financial liabilities	**61,019.44**	**10,744.59**	**29,313.94**	**20,874.36**	**86.55**

iv. Market risk

Risk on account of changes in foreign exchange rates, interest rates etc. that may affect the Group's income or the value of its holdings of financial instruments. The objective of market risk is to optimize the return by managing and controlling the market risk exposures within acceptable parameters.

v. Currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EURO. The risk is measured through a forecast of highly probable foreign currency cash flows.

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

44 Financial instruments – Fair values and risk management (Contd.)

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Company is as follows (Foreign currency in lakhs)

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	USD	EUR	USD	EUR	USD	EUR
Financial assets						
Trade receivables	12.64	16.93	16.83	-	3.98	-
Trade payables	59.88	7.40	61.99	7.13	54.34	8.37
Payable for capital goods	0.20	2.79	-	-	-	-
Net statement of financial position exposure	(47.43)	6.74	(45.16)	(7.13)	(50.36)	(8.37)

The following significant exchange rates have been applied

Particulars	Average Rates		Year end spot rates		
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	April 1, 2016
USD 1	64.44	67.08	65.43	64.97	65.93
EUR 1	75.42	73.60	81.12	69.85	75.73

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Rs. against USD & EURO at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

(₹ in Lakhs)

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2018				
USD (10% movement)	310.35	(310.35)	201.90	(201.90)
EUR (10% movement)	(54.68)	54.68	(35.57)	35.57

(₹ in Lakhs)

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2017				
USD (10% movement)	293.41	(293.41)	191.87	(191.87)
EUR (10% movement)	49.80	(49.80)	32.57	(32.57)

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During March 31, 2018 and March 31, 2017, the Group's borrowings at variable rate were denominated in Rupees.

Currently the Group's borrowings are within acceptable risk levels, as determined by the management, hence the Group has not taken any swaps to hedge the interest rate risk.

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

44 Financial instruments – Fair values and risk management (Contd.)

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Company is as follows.

(₹ in Lakhs)

Particulars	Nominal Amount		
	March 31, 2018	March 31, 2017	April 1, 2016
Fixed-rate instruments			
Financial assets	12,011.91	14,145.67	9,383.07
Financial liabilities	8,523.21	7,580.03	5,133.11
	20,535.12	**21,725.70**	**14,516.18**
Variable-rate instruments			
Financial assets	-	-	-
Financial liabilities	47,425.37	44,105.50	41,848.76
	47,425.37	**44,105.50**	**41,848.76**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in Lakhs)

Particulars	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2018				
Variable-rate instruments	(2,371.27)	2,371.27	(1,542.65)	1,542.65
Cash flow sensitivity	**(2,371.27)**	**2,371.27**	**(1,542.65)**	**1,542.65**

(₹ in Lakhs)

Particulars	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2017				
Variable-rate instruments	(2,205.28)	2,205.28	(1,434.66)	1,434.66
Cash flow sensitivity	**(2,205.28)**	**2,205.28**	**(1,434.66)**	**1,434.66**

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

45 Payment to Auditors

(₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Statutory audit fee	27.48	19.43
Tax audit fee	2.91	2.30
Certification fee	6.84	1.25
Other services	12.90	13.96
Reimbursement of expenses	1.21	0.12
Total	**51.35**	**37.06**

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

46 The Group has taken warehouse locations on operating lease. The operating lease arrangements are renewable on periodic basis. Some of these agreements have price escalation clauses.

Obligations on long term, non-cancellable operating leases

(₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Not later than one year	136.88	19.22
Later than one year and not later than five years	461.17	277.95
Later than five years	-	-

47 Exceptional item of Rs. 440.41 Lakhs (Previous Year Rs. 406.25) lakhs includes Rs. 245.70 Lakhs (Previous Year Rs. 406.25 Lakhs) on account of to write off of certain plant and machineries and Rs. 194.71 Lakhs (Previous Year Nil) on account of settlement of demand of wage raise during the year.

48 Out of Rs. 11,999.97 lakhs raised through qualified institutions placement of equity shares in December, 2015, the Company has so far utilized Rs. 1,849.97 lakhs (previous year Rs. 1,849.97 lakhs), including issue expenses of Rs. 307.34 lakhs, for the purpose the fund were so raised and balance Rs. 10,150.00 lakhs (previous year Rs. 10,150.00 lakhs) has been temporarily invested mainly in the debt instruments/ funds.

49 Events after the Balance Sheet Date

Dividend declared and paid by the Company

The Board of directors has recommended dividend of Rs. 2.70 (Previous Year Rs. 2.70) per equity share aggregating Rs. 1,379.45 Lakhs (Previous Year Rs. 1,377.19 Lakhs) including corporate dividend tax of Rs. 235.20 Lakhs (Previous Year Rs. 232.94 Lakhs) for the financial year ended March 31, 2018 and same is subject to approval of shareholders at the ensuing Annual General Meeting.

50 Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the Group falls within one broad business segment viz. "Ceramic Tiles and Allied products" and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

51 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarises the capital of the Group.

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Equity Share Capital	847.59	847.59	847.59
Other Equity	57,220.66	51,569.41	43,363.03
Non Controlling Interest	9,590.59	8,343.63	6,472.96
Total Equity	**67,658.84**	**60,760.63**	**50,683.58**
Non-Current Borrowings	16,543.96	17,826.89	17,614.53
Current maturities of Non-Current Borrowings	6,240.81	5,699.75	5,087.79
Current Borrowings	31,179.28	26,172.00	21,426.36
Total Debts	**53,964.05**	**49,698.64**	**44,128.68**

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

52 Changes in Liabilities and Asset from Financing Activities are as under:

(₹ in Lakhs)

Particulars	As at March 31, 2018	Cash Flow	Non- Cash Changes			As at March 31, 2017
			Obtaining/ losing Control of Subsidiary	Foreign Exchange Movement	Fair Value Movement	
Non Current borrowings	22,784.76	(765.38)	-	23.50	-	23,526.64
Current borrowings	31,179.28	4,982.09	-	25.19	-	26,172.00
Issue of Share Capital	847.59	-	-	-	-	847.59
Security Premium	16,389.03	-	-	-	-	16,389.03
Total liabilities from financing activities	**71,200.66**	**4,216.71**	**-**	**48.69**	**-**	**66,935.26**

53 The Consolidated Financial Statements include the accounts of Somany Ceramics Limited (Parent Company) and its subsidiaries as detailed below:

Particulars	Country of Incorporation	Percentage of Ownership interest as at March 31, 2018	Percentage of Ownership interest as at March 31, 2017
SR Continental Limited	India	100%	100%
Somany Global Limited	India	100%	100%
Amora Tiles Private Limited	India	51%	51%
Somany Fine Vitrified Private Limited	India	51%	51%
Somany Sanitaryware Private Limited	India	51%	51%
Somany Excel Vitrified Private Limited	India	100%	100%
Vintage Tiles Private Limited	India	50%	50%
Commander Vitrified Private Limited	India	26%	26%
Vicon Ceramic Private Limited	India	26%	26%
Acer Granito Private Limited	India	26%	26%
Sudha Somany Ceramics Private Limited (Formerly Sudha Ceramics Private Limited) (w.e.f. November 9, 2016)	India	51%	50%
Amora Ceramics Private Limited (w.e.f. March 30, 2018)	India	51%	-

54 First Time Adoption of Ind AS

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Ind AS optional exemptions

(i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

54 First Time Adoption of Ind AS (Contd.)

assets covered by Ind AS 38 Intangible Assets. Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

(ii) Effect of changes in exchange rate

In respect of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period, the Group has elected to recognise exchange differences on translation of such long term foreign currency monetary items in line with its Previous GAAP accounting policy.

In respect of long term foreign currency monetary items recognised in the financial statements beginning with the first Ind AS financial reporting period, exchange differences are recognised in the statement of profit and loss.

(iii) Business Combinations

As per Ind-AS 101, at the date of transition, an entity may elect not to apply Ind-AS 103 retrospectively to past business combinations (business combinations that occurred before the date of transition to Ind-AS).

The Group has opted not to apply Ind-AS 103 retrospectively to past business combinations that occurred before the date of transition to Ind-AS. The same exemption has applied by the Group for its past acquisition of interests in joint ventures.

In accordance with Ind-AS 101, the Group has tested goodwill for impairment at the date of transition to Ind-AS. No goodwill impairment was deemed necessary at April 1, 2106 the transition date.

B. Ind AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

54 First Time Adoption of Ind AS (Contd.)

Reconciliation of equity

(₹ in Lakhs)

Particulars	Notes to first-time adoption	As at April 1, 2016			As at March 31, 2017		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
ASSETS							
Non-current Assets							
Property, Plant and Equipment	5,8	37,837.17	13,627.47	51,464.64	37,487.72	14,726.90	52,214.62
Capital work-in-progress	8	442.33	(0.01)	442.32	3,164.22	2,059.29	5,223.51
Intangible Assets	8	119.94	0.08	120.02	81.62	0.01	81.63
Intangible Assets under Development		191.38	-	191.38	405.25	-	405.25
Goodwill on Consolidation	8	95.99	345.23	441.22	95.99	345.33	441.32
Financial Assets							
(i) Investments	8	1,980.70	(1,980.70)	-	3,383.00	(3,383.00)	-
(ii) Loans	8	1,038.05	(1,013.05)	25.00	1,038.05	(1,013.05)	25.00
(iii) Other Financial Assets	8	912.70	714.60	1,627.30	1,027.26	209.22	1,236.48
Other Non-Current Assets	8	132.21	-	132.21	298.68	335.93	634.61
Current Assets							
Inventories	8	13,868.19	5,700.08	19,568.27	14,969.24	7,106.38	22,075.62
Financial Assets							
(i) Investments	1,8	8,810.99	211.10	9,022.09	11,694.11	161.63	11,855.74
(ii) Trade Receivables	8	31,723.38	543.71	32,267.09	41,034.06	1,646.28	42,680.34
(iii) Cash and Cash Equivalents	8	1,633.67	221.58	1,855.25	1,073.64	414.64	1,488.28
(iv) Bank Balances other than (iii) above	8	193.18	513.77	706.95	135.37	779.32	914.69
(v) Loans	8	1,286.90	(9.16)	1,277.74	1,473.05	(873.05)	600.00
(vi) Other Financial Assets	8	226.87	94.91	321.78	422.84	135.11	557.95
Current Tax Assets (net)	8	2.98	27.32	30.30	2.98	40.10	43.08
Other Current Assets	8	3,855.32	423.93	4,279.25	3,476.20	373.83	3,850.03
TOTAL ASSETS		**1,04,351.95**	**19,420.86**	**1,23,772.81**	**1,21,263.29**	**23,064.86**	**1,44,328.15**

(₹ in Lakhs)

Particulars	Notes to first-time adoption	As at April 1, 2016			As at March 31, 2017		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
Equity And Liabilities							
Equity							
Equity Share Capital		847.59	-	847.59	847.59	-	847.59
Other Equity	2,8	41,968.99	1,394.04	43,363.03	51,275.82	293.59	51,569.41
Non-controlling Interest	8	2,001.25	4,471.71	6,472.96	2,714.15	5,629.48	8,343.63

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

54 First Time Adoption of Ind AS (Contd.)

(₹ in Lakhs)

Particulars	Notes to first-time adoption	As at April 1, 2016			As at March 31, 2017		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
Liabilities							
Non- current Liabilities							
Financial Liabilities							
(i) Borrowings	8	11,958.73	5,655.80	17,614.53	11,502.27	6,324.62	17,826.89
(ii) Other Financial Liabilities	8	1,976.84	1,369.54	3,346.38	2,034.56	342.99	2,377.55
Provisions		360.67	-	360.67	442.60	-	442.60
Deferred Tax Liabilities (Net)	7,8	3,286.79	254.99	3,541.78	3,729.48	1,009.50	4,738.98
Other Non-Current Liabilities		118.16	-	118.16	233.31	-	233.31
Current Liabilities							
Financial Liabilities							
(i) Borrowings	8	8,934.71	12,491.65	21,426.36	11,934.02	14,237.98	26,172.00
(ii) Trade Payables	8	20,078.16	(7,666.06)	12,412.10	23,011.33	(6,646.56)	16,364.77
(iii) Other Financial Liabilities	8	4,698.96	1,521.11	6,220.07	4,623.98	1,433.81	6,057.79
Other Current Liabilities	8	6,656.35	932.09	7,588.44	8,555.06	314.46	8,869.52
Provisions	2,8	1,314.82	(1,173.16)	141.66	122.34	(0.00)	122.34
Current Tax Liabilities (net)	8	149.93	169.15	319.08	236.79	124.98	361.77
TOTAL EQUITY AND LIABILITIES		**1,04,351.95**	**19,420.86**	**1,23,772.81**	**1,21,263.29**	**23,064.86**	**1,44,328.15**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total comprehensive income for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
Revenue				
Revenue from operations	8	1,88,728.02	(1,789.82)	1,90,517.84
Other income	1,8	1,730.77	13.67	1,717.10
Total income		**1,90,458.79**	**(1,776.15)**	**1,92,234.94**
Expenses				
Cost of materials consumed	8	28,852.65	(18,043.55)	46,896.20
Purchase of Stock in Trade	8	68,414.37	44,730.93	23,683.44
Changes in inventories of finished goods, stock-in-Trade and work-in-progress	8	584.63	466.99	117.64
Excise duty		11,411.89	(6,019.80)	17,431.69
Employee benefits expense	3,8	15,787.77	(3,434.98)	19,222.75
Finance costs	8	2,334.20	(1,563.19)	3,897.39
Depreciation and amotization expense	5,8	3,497.75	369.71	3,128.04
Other expenses	1,8	44,748.17	(15,049.89)	59,798.06
Total Expenses		**1,75,631.43**	**1,456.21**	**1,74,175.21**

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

54 First Time Adoption of Ind AS (Contd.)

Reconciliation of total comprehensive income for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
Share of profit/(loss) of an associate	8	271.79	271.79	-
Profit/(loss) before exceptional items and tax		**15,099.15**	**(2,960.58)**	**18,059.73**
Exceptional Item		406.25	-	406.25
Profit/ (loss) before tax		**14,692.90**	**(2,960.58)**	**17,653.48**
Tax expense:				
1) Current Tax				
- Current year	8	4,555.09	(423.07)	4,978.16
- For earlier years	8	21.90	23.03	(1.13)
2) Deferred Tax Charge/(Credit)	7,8	442.69	(730.27)	1,172.96
Profit/ (loss) for the period (A)		**9,673.22**	**(1,830.27)**	**11,503.49**
Other Comprehensive Income (OCI)				
(1) Items that will not be reclassified to profit & loss	3	-	(70.04)	70.04
Income Tax relating to above	7,8	-	24.24	(24.24)
(2) Items that will be reclassified to profit & loss				
Total other comprehensive income for the period (B)		**-**	**(45.80)**	**45.80**
Total comprehensive income for the period (A + B)		**9,673.22**	**(1,876.07)**	**11,549.29**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total equity as at March 31, 2017 and April 1, 2016

(₹ in Lakhs)

Particulars	Notes to first-time adoption	March 31, 2017	April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		**52,123.41**	**42,816.58**
Adjustments:			
Proposed Dividend including Corporate Dividend Tax	2	(1,173.16)	1,173.16
Fair Valuation on Current Investment	1,8	(90.80)	164.31
Others	5,8	278.80	86.44
Deferred Tax on above adjustment	7,8	(115.30)	(29.87)
Total adjustments		**(1,100.46)**	**1,394.04**
Net impact brought forward from Opening balance sheet		1,394.04	-
Total equity as per Ind AS		**52,416.99**	**44,210.62**

Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	8	9,519.69	2,204.68	11,724.37
Net cash flow from investing activities	8	(9,890.87)	(3,236.52)	(13,127.39)
Net cash flow from financing activities	8	(188.85)	1,224.90	1,036.05
Net increase/(decrease) in cash and cash equivalents	8	(560.03)	193.06	(366.97)
Cash and cash equivalents as at April 1, 2016	8	1,633.67	221.58	1,855.25
Cash and cash equivalents as at March 31, 2017		**1,073.64**	**414.64**	**1,488.28**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

54 First Time Adoption of Ind AS (Contd.)

D. Notes to first-time adoption:

1 Fair valuation of investments

Under previous GAAP, current investments were stated at lower of cost and fair value. Under Ind AS, these financial assets have been classified as Fair Value through Profit or Loss (FVTPL) on the date of transition and fair value changes after the date of transition has been recognised in Statement of Profit and Loss.

2 Proposed Dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting.

3 Remeasurements of post-employment benefit obligations

Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in OCI. Consequently, the tax effect of the same has also been recognised in OCI instead of Statement of Profit or Loss.

4 Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments

5 Depreciation

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The Company has further reassessed and realigned the depreciation methodology as per the requirement of IND AS.

6 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and tax thereon. The concept of other comprehensive income was not there under previous GAAP.

7 Deferred Tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

8 Reclassification

In view of change in the definition of control as per IND AS 110 "Consolidated Financial Statements", companies which were earlier considered as associates for consolidated financial statements has now been reclassified as subsidiaries in consolidated financial statements.

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

55 Disclosure of the additional information as required by the Schedule III:

a) As at and for the year ended March 31, 2018

(₹ in Lakhs)

Name of the Entity	Net Assets,i.e., total assets minus total liabilities		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated Profit/(Loss)	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
Parent								
Somany Ceramics Limited	96.39%	55,972.98	92.41%	6,510.01	100%	(15.84)	92.40%	6,494.17
Subsidiaries (Indian)								
SR Continental Ltd.	0.25%	145.65	-0.10%	(6.74)	0%	-	-0.10%	(6.74)
Somany Global Ltd.	0.14%	81.94	0.08%	5.59	0%	-	0.08%	5.59
Amora Tiles Pvt. Ltd.	3.53%	2,051.18	4.08%	287.24	0%	-	4.09%	287.24
Somany Fine Vitrified Pvt. Ltd.	3.73%	2,165.80	2.64%	186.27	0%	-	2.65%	186.27
Somany Sanitaryware Pvt. Ltd.	1.83%	1,064.08	-0.45%	(31.52)	0%	-	-0.45%	(31.52)
Somany Excel Vitrified Pvt. Ltd	0.23%	133.74	-0.01%	(0.50)	0%	-	-0.01%	(0.50)
Vintage Tiles Pvt. Ltd.	2.79%	1,620.14	-3.79%	(267.19)	0%	-	-3.80%	(267.19)
Commander Vitrified Pvt. Ltd.	4.13%	2,397.18	0.76%	53.41	0%	-	0.76%	53.41
Acer Granito Pvt. Ltd.	3.79%	2,199.10	1.86%	130.98	0%	-	1.86%	130.98
Vicon Ceramic Pvt. Ltd.	0.99%	577.66	-3.68%	(259.31)	0%	-	-3.69%	(259.31)
Sudha Somany Ceramics Pvt Ltd.	1.18%	686.75	-0.10%	(6.85)	0%	-	-0.10%	(6.85)
Amora Ceramics Pvt Ltd.	0.83%	484.74	-0.19%	(13.62)	0%	-	-0.19%	(13.62)
Non Controlling Interest in All Subsidiaries	-16.52%	(9,590.60)	-12.29%	(865.72)	0%	-	-12.32%	(865.72)
Eliminations	-8.00%	(4,645.43)	-0.18%	(12.85)	0%	-	-0.18%	(12.85)
Other Adjustments	4.69%	2,723.33	18.95%	1,335.22	0%	-	19.00%	1,335.22
	100.00%	**58,068.25**	**100.00%**	**7,044.42**	**100.00%**	**(15.84)**	**100.00%**	**7,028.58**

Notes to Consolidated Financial Statements for the Year ended March 31, 2018

55 Disclosure of the additional information as required by the Schedule III: (Contd.)

b) As at and for the year ended March 31, 2017 (₹ in Lakhs)

Name of the Entity	Net Assets,i.e., total assets minus total liabilities		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated Profit/(Loss)	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
Parent								
Somany Ceramics Limited	97.02%	50,855.99	89.35%	8,770.50	100%	45.80	89.40%	8,816.30
Subsidiaries (Indian)								
SR Continental Ltd.	0.29%	152.39	-0.14%	(13.58)	0%	-	-0.14%	(13.58)
Somany Global Ltd.	0.15%	76.35	0.05%	5.34	0%	-	0.05%	5.34
Amora Tiles Pvt. Ltd.	3.37%	1,763.94	3.17%	311.26	0%	-	3.16%	311.26
Somany Fine Vitrified Pvt. Ltd.	3.78%	1,979.53	3.35%	328.41	0%	-	3.33%	328.41
Somany Sanitaryware Pvt. Ltd.	2.09%	1,095.60	1.10%	108.07	0%	-	1.10%	108.07
Somany Excel Vitrified Pvt. Ltd	0.26%	134.24	-0.03%	(2.79)	0%	-	-0.03%	(2.79)
Vintage Tiles Pvt. Ltd.	3.60%	1,887.33	1.64%	160.92	0%	-	1.63%	160.92
Commander Vitrified Pvt. Ltd.	4.47%	2,343.77	0.93%	90.88	0%	-	0.92%	90.88
Acer Granito Pvt. Ltd.	3.95%	2,068.12	2.44%	239.83	0%	-	2.43%	239.83
Vicon Ceramic Pvt. Ltd.	1.60%	836.97	1.20%	117.89	0%	-	1.20%	117.89
Sudha Somany Ceramics Pvt Ltd.	0.93%	487.22	-0.15%	(14.39)	0%	-	-0.15%	(14.39)
Non Controlling Interest in All Subsidiaries	-15.94%	(8,354.89)	-17.19%	(1,687.69)	0%	-	-17.11%	(1,687.69)
Eliminations	-8.20%	(4,297.66)	0.13%	13.06	0%	-	0.13%	13.06
Other Adjustments	2.65%	1,388.10	14.14%	1,388.09	0%	-	14.08%	1,388.09
	100.00%	**52,417.00**	**100.00%**	**9,815.80**	**100.00%**	**45.80**	**100.00%**	**9,861.60**

As per our report of even date

For **SINGHI & Co.**
Chartered Accountants
(ICAI FRN. NO.: 302049E)

B. K. SIPANI
Partner
M. No. 088926

Place: New Delhi
Date: May 24, 2018

For and on behalf of Board of Directors

SHREEKANT SOMANY
Chairman & Managing Director
DIN: 00021423

SAIKAT MUKHOPADHYAY
Chief Financial Officer

ABHISHEK SOMANY
Managing Director
DIN: 00021448

AMBRISH JULKA
DGM (Legal) & Company Secretary