

Annual Report 2019-20

World-class designs,
built by technology that is a class apart.



Antimicrobial

Touch-free sensor faucets

Water-saving products

State-of-art technology at Kadi plant



Sanitaryware Robotic Glazing
For uniform glazing ensuring smooth surface



Faucet Robotic Surface Grinding
Helps in uniform coat of chromium plating which leads to greater surface endurance



Sanitaryware 3D Printer For making quicker prototypes of new designs



Sanitaryware Robotic Pressure Casting
For producing clone type product every time



Faucet 3D Printer For making quicker prototypes of new designs



Faucet Peeling Machine
For impeccable body finish

Board of Directors

Shri Vikram Somany	- Chairman and Managing Director
Smt. Deepshikha Khaitan	- Joint Managing Director
Shri Sajjan Kumar Pasari	- Independent Director
Shri Lalit Kumar Bohania	- Independent Director
Shri Surendra Singh Baid	- Independent Director
Shri J. K. Taparia	- Independent Director
Ms. Akriti Jain	- Independent Director
Shri Ayush Bagla	- Executive Director
Shri Atul Sanghvi	- Executive Director & Chief Executive Officer

Bankers

State Bank of India

Auditors

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

Registered Office

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

Corporate Office

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

Works

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

Registrar & Share Transfer Agent

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

Company Secretary

Hemal Sadiwala

Contents	Page No.
Notice	2
Directors' Report	10
Corporate Governance Report	31
Business Responsibility Report	40
Secretarial Audit Report	45
Independent Auditor's Report	47
Balance Sheet	53
Statement of Profit & Loss	54
Cash Flow Statement	56
Notes to Standalone Financial Statements	58
Independent Auditor's Report (Consolidated)	96
Consolidated Financial Statements	102

**Annual General Meeting at 11.30 a.m. on Thursday,
the 10th day of September, 2020 through Video Conferencing / Other Audio Visual Means.**

NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of CERA SANITARYWARE LIMITED will be held at 11.30 a.m. on Thursday, the 10th day of September, 2020 through Video Conferencing ('VC') facility or Other Audio Visual Means ('OAVM') to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated financial statements of the Company for the year ended 31st March, 2020 including statement of Audited Profit and Loss and Cashflow Statement for the year ended 31st March, 2020, Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To consider the interim dividend on equity shares @ ₹ 13/- per share already paid as final dividend for the Financial Year 2019-20.
3. To appoint a director in place of Smt. Deepshikha Khaitan (DIN - 03365068), who retires by rotation and being eligible, offers herself for reappointment.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the remuneration of ₹ 75,000/- p.a. plus out of pocket expenses and applicable taxes, if any for the financial year ending 31st March, 2021, as recommended by the Audit Committee and approved by the Board of Directors of the company to be paid to K.G. Goyal & Co., Cost Accountants for conducting the Audit of the Cost records of the company be and is hereby ratified and confirmed.

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

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

"RESOLVED THAT approval of the members be and is hereby accorded in terms of Sections 196, 197, 198, Schedule V and any other applicable provisions of the Companies Act, 2013 and rules made thereunder and Regulation 17(6) (e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, including any amendment(s), modification(s), replacement(s) or re-enactment(s) thereof for the time being in force for the appointment of and for the remuneration payable to Smt. Deepshikha Khaitan (DIN - 03365068) as "Joint Managing Director" of the Company for a period of Five (5) years w.e.f. 1st April, 2020 at a remuneration and other terms as mentioned in the explanatory statement annexed to this notice.

RESOLVED FURTHER THAT Smt. Deepshikha Khaitan, Joint Managing Director will be liable to retire by rotation.

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

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

RESOLVED FURTHER THAT in the event of absence or inadequacy of profit in any financial year during the tenure of her appointment, total remuneration payable shall be in accordance with provisions of Schedule V of the Companies Act, 2013 and rules made thereunder including any amendment(s), modification(s), replacement(s) or reenactment(s) thereof for the time being in force, if any, to the extent with necessary approvals.

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

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

"RESOLVED THAT approval of the members be and is hereby accorded in terms of Sections 196, 197, 198, 203, Schedule V and any other applicable provisions of the Companies Act, 2013 and rules made thereunder, including any amendment(s), modification(s), replacement(s) or re-enactment(s) thereof for the time being in force for the re-appointment of and for the remuneration payable to Shri Atul Sanghvi (DIN - 00045903) as "Executive Director and CEO" of the Company for a period of Three (3) years w.e.f. 1st April, 2020 at a remuneration and other terms as mentioned in the explanatory statement annexed to this notice.

RESOLVED FURTHER THAT Shri Atul Sanghvi, Executive Director and CEO will be liable to retire by rotation.

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

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

RESOLVED FURTHER THAT in the event of absence or inadequacy of profit in any financial year during the tenure of his appointment, total remuneration payable shall be in accordance with the provisions of Schedule V of the Companies Act, 2013 and rules made thereunder including any amendment(s), modification(s), replacement(s) or re-enactment(s) thereof for the time being in force, if any, to the extent with necessary approvals.

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

Regd. Office :
9, GIDC Industrial Estate,
Kadi – 382 715
Dist. Mehsana, Gujarat.
30th June, 2020
CIN : L26910GJ1998PLC034400

By Order of the Board of Directors
For Cera Sanitaryware Limited
Hemal Sadiwala
Company Secretary
(ACS:20741)

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to evoting@parikhdave.com with a copy marked to helpdesk.evoting@cdslindia.com.
4. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are

held by them in electronic form and to MCS Share Transfer Agent Limited, Ahmedabad in case the shares are held by them in physical form

5. The Board of Directors at their meeting held on 14th February, 2020 declared Interim Dividend of ₹ 13/- per share (260%) on 1,30,05,874 equity shares of ₹ 5/- each fully paid for the Financial Year 2019-20. The Interim Dividend was paid to the shareholders holding shares as on Record date i.e. Thursday, 27th February, 2020. The Board of Directors has considered Interim Dividend as Final Dividend for the Financial Year 2019-20.
6. Statement pursuant to provisions of Section 102 of the Companies Act, 2013 is annexed hereto.
7. The Company has transferred the unpaid/unclaimed dividends up to the financial year 2011-12 to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Members who have not encashed their dividend warrants for the financial year 2012-13 onwards are advised to write to the Company immediately claiming dividends declared by the Company.
8. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs and its amendment made from time to time, the Company has issued Newspaper advertisement on 18.07.2019 and Company has sent individual notices to the shareholders on 12.07.2019 for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, such shareholders' shares have been transferred to the Investor Education and Protection Fund on 13.11.2019. Shareholders are requested to note that shares transferred to IEPF, including all benefits accruing on such shares, if any can be claimed back from the IEPF Authority after following the procedure prescribed under the said rules. The procedure is also available on the website of the IEPF Authority at www.iepf.gov.in. Such shareholders are requested to claim their shares / unclaimed / unpaid dividend immediately.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar. Securities and Exchange Board of India has prohibited physical transfer of shares w.e.f. 01.04.2019.
10. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.cera-india.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com & National Stock Exchange of India Limited at www.nseindia.com and notice of AGM on the website of CDSL : <https://www.evotingindia.com>. Members who have not registered their email address are requested to get their email address registered with their DP in case the shares are held in electronic mode and with Company's Registrar and Share Transfer Agent

MCS Share Transfer Agent Limited, Ahmedabad in case shares are held in Physical Form. This may be treated as an advance opportunity in terms of proviso to Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014.

11. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 31st August, 2020 through email on ceragreen@cera-india.com. The same will be replied by the Company suitably. All the documents, if any, referred to in this notice and explanatory statement are available for inspection of the members at the Registered Office of the

Company on any working day except Saturday, between 10:00 a.m. to 1:00 p.m. up to the conclusion of this meeting.

13. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut-off date i.e. 3rd September, 2020 only shall be entitled to avail the facility of remote e-voting or voting at the Meeting. The copy of register of Directors, Key Managerial Personnel and their shareholding maintained under the Companies Act, 2013 will be available for inspection by the members on request by sending an e-mail to the company.
14. Brief resume of directors, who are proposed to be appointed / re-appointed at this meeting are given below:

Name of Director	Smt. Deepshikha Khaitan	Shri. Atul Sanghvi
DIN	03365068	00045903
Date of Birth	17.03.1975	16.05.1962
Date of Appointment	29.03.2014 Appointed as Joint Managing Director w.e.f. 01.04.2020	01.04.2014 Re-appointed as Executive Director & CEO w.e.f. 01.04.2020
Qualification	B.Sc. Hons. (Economics), LLB	MBA in Marketing
Brief Resume and Nature of expertise in specific functional areas	Legal matters and Management Services	Manufacturing and Commercial
List of other Directorships	- Capital Publishing Pvt. Ltd. - Indian Council of Sanitaryware Manufacturers - Star Agrocom Pvt. Ltd.	- Indian Council of Sanitaryware Manufacturers - Anjani Tiles Limited
Chairman / Member of the Committees of the Board of other Companies	NIL	NIL
Terms and conditions of re-appointment	As per the Explanatory Statement	As per the Explanatory Statement
Details of remuneration last drawn	As per the Explanatory Statement	As per the Explanatory Statement
Disclosure of relationship between Director Inter-se	Smt. Deepshikha Khaitan is a daughter of Shri Vikram Somany.	Not Related to any Director.
Shareholding in the Company	339116	18
No. of Board Meetings attended during FY 2019-20	5	5

15. INSTRUCTION FOR E-VOTING AND JOINING THE AGM:

- a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has appointed Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- b) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure

mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- c) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- d) Shareholders holding equity shares shall have one vote per share as shown against their holding. The shareholders can vote for their entire voting rights as per their discretion.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period will begins on 7th September, 2020 and will end on 9th September, 2020. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 3rd September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the time of meeting.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/ EASIEST e-services, you can log-in at <https://www.cdslindia.com> from [Login - Myeasi](#) using your login credentials. Once you successfully log-in to CDSL's EASI/ EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> - Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number. Please send a request to ceragreen@cera-india.com to get sequence number.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> - If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach

'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Cera Sanitaryware Limited> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

INSTRUCTIONS FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

- (i) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- (ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- (iii) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- (iv) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- (v) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- (i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/ RTA email id.
- (ii) For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- (i) Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- (ii) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (iii) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (v) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id i.e. ceragreen@cera-india.com). These queries will be replied to by the company suitably by email.
- (vi) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- (vii) Members who need assistance before or during the AGM, or have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022- 23058543) or Mr. Rakesh Dalvi (022-23058542).
- (viii) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 022-23058542/43.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
 - (ii) Only those shareholders, who are present in the AGM through VC/OAVM facility and who have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
 - (iii) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
 - (iv) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
16. Shri Umesh Parikh, Partner of Parikh Dave & Associates, Practicing Company Secretaries, Ahmedabad has been appointed as the Scrutinizer to scrutinize the e-voting process and voting process at AGM in a fair and transparent manner.
 17. The scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote evoting in the presence of at least two witnesses not in the employment of the company and make, not later than 48 hours from conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
 18. The Results will be declared on receipt of Scrutinizer's Report at the Registered office of the Company at 9, GIDC Industrial Estate, Kadi - 382715. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.cera-india.com and on the website of CDSL immediately and communicated to the NSE and BSE.

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

Item No. 4

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

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

Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at item no. 4 of the notice for ratification

of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2021.

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

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

Item No. 5

Smt. Deepshikha Khaitan is a Promoter Director and actively associated with CERA for about 6 years. She monitors Design Innovation, Product, R&D, Channel Outreach and Sales, product development and legal matters of the Company. She has shouldered important assignments during her tenure with the Company. In view of her experience and close association with the Company and upon recommendation of Nomination and Remuneration Committee of the Company the Board of Directors at its meeting held on 5th February, 2020 appointed Smt. Deepshikha Khaitan as the Joint Managing Director of the Company w.e.f. 1st April, 2020 for a period of 5 (Five) years, subject to the approval of members at the ensuing Annual general meeting.

Smt. Deepshikha Khaitan as Joint Managing Director is entrusted with substantial powers of management of the affairs of the company and shall discharge every duty and function subject to the superintendence, direction and control of the Board of Directors and/or Chairman and Managing Director of the Company. The Company has entered into an agreement with Smt. Deepshikha Khaitan for her appointment as Joint Managing Director.

Smt. Deepshikha Khaitan, Joint Managing Director shall be liable to retire by rotation. However, she shall not be entitled to carry out any work or assignments, which are required to be carried out at the meeting of the Board of Directors or by the shareholders at their general meeting only, under the provisions of the Companies Act, 2013.

The principle terms and conditions of appointment of Smt. Deepshikha Khaitan, Joint Managing Director are as follows:

1. Period of Appointment: 5 (Five) years w.e.f. 1st April, 2020.

2. Remuneration

- i) Basic Salary: In the range of ` 5,00,000/- to ` 10,00,000/- per month, w.e.f. 1st April, 2020.
- ii) Perquisites:

Category – A

- a) Accommodation: Free furnished housing accommodation and/or house rent allowance subject to 50% of Basic Salary.
- b) Medical benefit: Medical benefit / Medical Allowance including Medical reimbursement and MediClaim for self and family subject to one month's Basic Salary in a year or three months' Basic salary over a period of three years.
- c) Leave Travel Concession: For self and family once in a year to and fro any place in India subject to one month's Basic Salary.
- d) Club Fees: Annual fee of one club subject to a maximum of ` 50000/-. This, however, will not include admission and life membership fee.
- e) Insurance: Personal Accident Insurance of an amount annual premium of which does not exceed ` 6000/-.

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

- g) Performance Incentive: As may be decided by Board of Directors and / or the Chairman and Managing Director subject to a maximum of Rs 3 Crores per annum.

Category – B

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

Category – C

- a) Free telephone facility at residence and a mobile telephone. Personal long distance calls on telephone will be billed by the company to the appointee.
- b) Free use of Car with driver for company's work only. The use of car for private purpose shall be billed by the company to the appointee.

Others:

- a) Joint Managing Director is also entitled to the benefits as per the rules of the Company, which the other executives / employees of the Company are entitled to.
- b) She will not be entitled to Sitting Fee for attending the meetings of the Board of Directors or Committee(s) thereof.

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

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

- 3. The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, including the maximum remuneration payable to the Joint Managing Director in accordance with section 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder or any amendment(s), modification(s) or replacement(s) or re-enactment(s) thereof from time to time.
- 4. If at any time Smt. Deepshikha Khaitan ceases to be a Director of the Company for any cause whatsoever, she will cease to be the Joint Managing Director.
- 5. Smt. Deepshikha Khaitan, Joint Managing Director may resign from the service of the Company by giving three months' notice in advance. Similarly, the Company has the right to terminate

her service as Joint Managing Director at any time by giving three months' notice in writing or salary in lieu thereof.

Appointment of Smt. Deepshikha Khaitan as Joint Managing Director and remuneration payable to her was considered by the Nomination and Remuneration Committee at its meeting held on 5th February, 2020.

Pursuant to the provision of Section 196, 197 and Schedule V of the Companies Act, 2013 and Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of members by way of Special resolution is sought for appointment and payment of remuneration to Smt. Deepshikha Khaitan, Joint Managing Director (being Executive Director who belongs to Promoter / Promoters Group), as her remuneration exceeds / might exceeds the limit specified under aforesaid SEBI Regulation.

The Board of Directors recommends the Special resolution as per item No. 5 of the accompanying notice for approval of the members of the Company.

Except, Smt. Deepshikha Khaitan and Shri Vikram Somany, none of your Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the said resolution as per item No. 5 of notice. Shri Vikram Somany is the father of Smt. Deepshikha Khaitan. The disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided as notes to this notice.

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

Item No. 6

Shri Atul Sanghvi was appointed as Executive Director of the Company for a period of three years w.e.f. 1.04.2017 till 31.03.2020. Upon recommendation of the Nomination and Remuneration Committee and in view of his experience and long association with the Company, the Board of Directors at their meeting held on 5th February, 2020 re-appointed Shri Atul Sanghvi as Executive Director & CEO of the Company for a further period of three (3) years w.e.f. 1st April, 2020, subject to the approval of members of the Company at the ensuing Annual general meeting.

Shri Atul Sanghvi as Executive Director & CEO shall discharge every duty and function subject to the superintendence, direction and control of the Board of Directors and/or Chairman and Managing Director of the Company. The Company has entered into an agreement with Shri Atul Sanghvi for his appointment as Executive Director & CEO.

Shri Atul Sanghvi, Executive Director shall be liable to retire by rotation. Shri Atul Sanghvi shall not exercise the powers as Executive Director, which are required to be exercised by the company at general meeting, and / or by board of directors

Shri Atul Sanghvi, Executive Director will continue to act as an "Occupier" of the Company as defined under Section 2 of the Factories Act.

The principle terms and conditions of appointment of Shri Atul Sanghvi, Executive Director & CEO are as follows:

1. **Period of Appointment:** 3 (Three) years w.e.f. 1st April, 2020.

2. Remuneration

- a) Basic Salary: In the range of ` 5,00,000/- to ` 8,00,000/- per month, w.e.f. 1st April, 2020.

b) Perquisites:

Category – A

- a) Accommodation: Free furnished housing accommodation and/or house rent allowance subject to 50% of Basic Salary.
- b) Medical benefit: Medical benefit / Medical Allowance including Medical reimbursement and Medi Claim for self and family subject to one month's Basic salary in a year or three months' Basic salary over a period of three years.
- c) Leave Travel Concession: For self and family once in a year to and fro any place in India subject to one month's Basic Salary.
- d) Club Fees: Annual fee of one club subject to a maximum of ` 50,000/-. This, however, will not include admission and life membership fee.
- e) Insurance: Personal Accident Insurance of an amount annual premium of which does not exceed ` 6,000/-.
- f) Bonus: As per rules of the Company as applicable to other executives/employees of the Company.
- g) Special Allowance: As may be decided by Board of Directors and / or the Chairman and Managing Director subject to a minimum of ` 1,70,000/- per month and Maximum of ` 2,25,000/- per month.
- h) Performance Incentive: As may be decided by Board of Directors and / or the Chairman and Managing Director subject to a maximum of ` 2.50 crores per annum.

Category – B

- a) Contribution to Provident Fund or Annuity Fund: As per the rules of the Company as applicable to other executives / employees of the Company.
- b) Gratuity: Gratuity payable in accordance with the company's scheme thereof as applicable to other executives / employees of the company.

Category – C

- a) Free telephone facility at residence and a mobile telephone. Personal long distance calls on telephone will be billed by the company to the appointee.
- b) Free use of Car with driver for company's work only. The use of car for private purpose shall be billed by the company to the appointee.

Others:

- a) Executive Director is also entitled to the benefits as per the rules of the Company, which the other executives / employees of the Company are entitled to.
- b) He will not be entitled to Sitting Fee for attending the meetings of the Board of Directors or Committee(s) thereof.

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