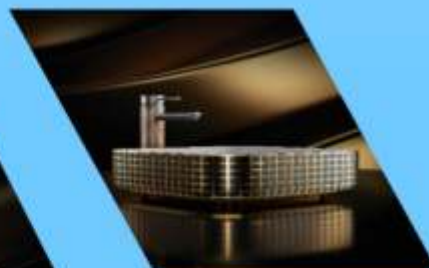


# CERA

## CERA SANITARYWARE LIMITED

Annual Report 2018-19







**Board of Directors**

Shri Vikram Somany	- Chairman and Managing Director
Smt. Deepshikha Khaitan	- Vice Chairperson (Non-Executive)
Shri Sajan Kumar Pasari	
Shri Lalit Kumar Bohania	
Shri Surendra Singh Baid	
Shri J. K. Taparia	
Ms. Akriti Jain	
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, 5<sup>th</sup> 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**

7<sup>th</sup> & 8<sup>th</sup> 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, 2<sup>nd</sup> Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009.

**President & Company Secretary**

Narendra N. Patel

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**Annual General Meeting at 11.30 a.m. on Wednesday,  
the 31<sup>st</sup> day of July, 2019 at the Registered Office.**

## NOTICE

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of the Members of CERA SANITARYWARE LIMITED will be held at 11.30 a.m. on Wednesday, the 31<sup>st</sup> day of July, 2019 at the Registered Office of the Company at 9, GIDC Industrial Estate, Kadi - 382 715, Dist. Mehsana, to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Standalone and Consolidated financial statements of the Company for the year ended 31<sup>st</sup> March, 2019 including statement of Audited Profit and Loss and Cashflow Statement for the year ended 31<sup>st</sup> March, 2019, Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To declare dividend on Equity Shares.
3. To appoint a director in place of Shri Atul Sanghvi (DIN - 00045903), who retires by rotation and being eligible, offers himself 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, K. G. Goyal & Co., Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company, as per the recommendation of Audit Committee to conduct the audit of the cost records of the Company for the financial year ended 31<sup>st</sup> March, 2020, be paid the remuneration of ₹ 90,000/- p.a. plus out of pocket expenses and applicable taxes, if any."

"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 an **ordinary resolution**:

"RESOLVED THAT Ms. Akriti Jain (DIN - 08259413), who was appointed as an additional director of the Company by the Board of Directors w.e.f. 1<sup>st</sup> November, 2018 in terms of Section 161 of the Companies Act, 2013 and Article 137 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company (who will not retire by rotation) pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under including any amendment(s), modification(s), replacement(s) or re-enactment(s) thereof for the time being in force read with Schedule IV to the Companies Act, 2013 to hold office for 5 (five) consecutive years for a term up to 31<sup>st</sup> March, 2024."

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 appointment of and for the remuneration payable to Shri Ayush Bagla (DIN - 01211591) as "Executive Director" of the Company for a period of Three (3) years w.e.f. 14.05.2019 at a remuneration and other terms as mentioned in the explanatory statement annexed to this notice.

RESOLVED FURTHER THAT Shri Ayush Bagla, Executive Director will be liable to retire by rotation and he ceased to be an Independent Director on being appointed as Executive Director.

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 Ayush Bagla 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 196, 197, 198, 203, 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 not exceed the maximum limit prescribed under 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."

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

"RESOLVED THAT pursuant to Regulation 17(6)(ca) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment(s), modification(s), replacement(s), variation(s) or re-enactment(s) thereof for the time being in force and other applicable provisions, if any, of the Companies Act, 2013, approval of members of the company be and is hereby accorded for payment of commission of ₹ 50 Lakhs to

Smt. Deepshikha Khaitan (DIN - 03365068), Vice-Chairperson & Non-Executive Director, for the Financial year 2019-20, which may exceed 50% (fifty percent) of the total Commission that may be payable to all Non-Executive Directors of the Company for the financial year 2019-20.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and expedient in this regard.

Regd. Office : By Order of the Board of Directors  
9, GIDC Industrial Estate, **For Cera Sanitaryware Limited**  
Kadi – 382 715  
Dist. Mehsana, Gujarat. **Narendra N. Patel**  
14<sup>th</sup> May, 2019 President & Company Secretary  
CIN : L26910GJ1998PLC034400 (FCS: 3249)

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent (10%) of total share capital of the Company.
2. Members are requested to notify immediately the change of address, if any, to the Company or MCS Share Transfer Agent Limited, Registrar and Share Transfer Agent of the Company.
3. The Register of Members and Share transfer book of the Company will remain closed from Tuesday, 16<sup>th</sup> July, 2019 to Tuesday, 23<sup>rd</sup> July, 2019 (both days inclusive).
4. The Board of Directors has recommended a dividend of ` 13/- (260%) per fully paid equity share of ` 5/- each for the year ended 31<sup>st</sup> March, 2019.
5. Members / Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
6. Members are requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.
7. Statement pursuant to provisions of Section 102 of the Companies Act, 2013 is annexed hereto.
8. The Company has transferred the unpaid/unclaimed dividends up to the financial year 2010-11 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 2011-12 onwards are advised to write to the Company immediately claiming dividends declared by the Company.
9. 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 05.07.2018 and Company has send individual notices to the shareholders on 27.06.2018 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 02.11.2018.

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](http://www.iepf.gov.in).

Such shareholders are requested to claim their unclaimed/unpaid dividend immediately.

10. 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.
11. Shareholders holding shares in Electronic Form may note that their bank account details as furnished by their depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the depositories and the Company will not entertain any direct request from such shareholders for deletion of / change in such bank details. Shareholders who wish to change such bank account details are, therefore, requested to advise their Depository Participants about such change, with complete details of bank account.
12. Annual Report 2018-19 along with notice of the AGM, Attendance Slip, Proxy Form and process instructions and the manner of conducting E-voting is being sent electronically to all the members whose email IDs are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of Annual Report are being sent through the permitted mode. Members who have not registered their email address are requested to get their email address registered with the Company / Depository Participants and update the same, if required. 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.
13. 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.
14. Voting through electronic means:  
  
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide members facility to exercise their right to vote at the 21<sup>st</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The members shall refer to the detailed procedures on e-voting attached herewith.

15. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
16. Members are required to vote only through the electronic system or through ballot at Annual General Meeting only and in no other form. In the event a member cast his/her votes through both the processes, the votes in the electronic system would be considered and the ballot vote would be ignored.
17. The remote e-voting period commences on Sunday, 28<sup>th</sup> July, 2019 (10:00 a.m.) and ends on Tuesday, 30<sup>th</sup> July, 2019 (5:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 24<sup>th</sup> July, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
18. The e-voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Wednesday, 24<sup>th</sup> July, 2019. A person other than member on cut-off date should treat this notice for information only.
19. A member may participate in the Annual General Meeting even after exercising his right to vote through e-voting but shall not be allowed to vote again.
20. Parikh Dave & Associates, 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.
21. 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 e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of 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.
22. 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](http://www.cera-india.com) and on the website of CDSL immediately and communicated to the NSE and BSE.
23. Shri Narendra N. Patel, Compliance officer of the Company, 7<sup>th</sup> & 8<sup>th</sup> Floor, B Wing - "PRIVILON", Ambli BRTS Road, ISKCON Cross Roads, S.G. Highway, Ahmedabad – 380059 shall be responsible for addressing all the grievances in relation to this Annual General Meeting including e-voting. His contact details are E-mail: [hema1.sadiwala@cera-india.com](mailto:hema1.sadiwala@cera-india.com), Phone No.: 079-49112222.
24. Members holding equity shares in electronic form and proxies thereof, are requested to bring their DP ID. and Client ID. for identification.
25. Brief resume of directors, who are proposed to be appointed / re-appointed at this meeting are given below:

Name of Director	Shri Atul Sanghvi	Ms. Akriti Jain	Shri Ayush Bagla
DIN	00045903	08259413	01211591
Date of Birth	16.05.1962	27.06.1986	10.09.1973
Date of Appointment	01.04.2014	01.11.2018	18.04.2018
Brief Resume and Nature of expertise in specific functional areas	Manufacturing and Commercial	Legal Matters relating to Commercial and Corporate Laws	Finance and Financial Services
List of other Directorships	- Indian Council of Sanitaryware Manufacturers - Anjani Tiles Limited	NIL	- Seaside Real Estate Pvt Ltd - Paradigm Finance Ltd
Chairman / Member of the Committees of the Board of other Companies	NIL	NIL	NIL
Disclosure of relationship between Director Inter-Se	Not Related to any Director.	Not Related to any Director.	Not Related to any Director.
Shareholding in the Company	18	NIL	NIL
No. of Board meetings attended during the year 2018-19	5	1	4

#### 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 approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2020.

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

Accordingly, consent of the members is sought for 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 ended 31<sup>st</sup> March, 2020.

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**

The Board of Directors at its meeting held on 1<sup>st</sup> November, 2018 has appointed Ms. Akriti Jain as an Additional Director (Independent) of the Company w.e.f. 1<sup>st</sup> November, 2018 under section 161 of the Companies Act, 2013 and Article 137 of the Articles of Association of the Company. She is Master of Laws with Merit in Commercial & Corporate Law from University of London. She is Practicing Advocate and she is attached with C. K. Jain & Company, Solicitors and Advocates, Kolkata. She is having experience of more than 7 years in the fields of legal matters relating to Commercial & Corporate Laws, National Company Law Tribunal and Debt Recovery Tribunal etc.

She does not hold either by herself or by other persons any shares in the Company.

According to the provisions of Section 161 of the Companies Act, 2013, she will hold office as an Additional Director only up to the date of this Annual General Meeting. As required under Section 160 of the Companies Act, 2013, notice has been received from a member signifying his intention to propose the appointment of Ms. Akriti Jain as Director.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Ms. Akriti Jain being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to 31<sup>st</sup> March, 2024. Her appointment as an Independent Director is also approved and recommended by the Nomination and Remuneration Committee of the Company.

In the opinion of the Board, Ms. Akriti Jain fulfills the conditions specified in the Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director of the Company. She is independent of the management of the Company.

The Board considers that her experience and expertise would be beneficial to the Board and the Company and it is desirable to continue to avail the services of Ms. Akriti Jain as an Independent Director. Accordingly, the Board recommends the resolution as per item no. 5 of the accompanying notice for appointment of Ms. Akriti Jain as an Independent Director for passing by the members of the Company.

The disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided in the notes to this Notice.

Except Ms. Akriti Jain, none of your Directors or key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the resolution as per the item No. 5 of the notice.

**Item No. 6**

Shri Ayush Bagla was appointed as Independent Director of the Company for a period for five consecutive years for a term up to 31<sup>st</sup> March, 2023. Upon recommendation of the Nomination and Remuneration Committee, Shri Ayush Bagla has been appointed as Executive Director of the Company for a period of three (3) years w.e.f. 14.05.2019, by the Board of Directors at their meeting held on 14.05.2019 subject to the approval of members of the Company at the ensuing annual general meeting.

Shri Ayush Bagla will Look after Investors relations including concall to update investors / brokerages, co-ordination with institutional investors, attend and address analysts, regular interaction with fund managers, co-ordination with press, assist management team in future expansion, treasury, policies, capacity enhancement and

legal matters. He will also discharge other duties and responsibilities as may be allocated to him by the Board of Directors and / or Chairman and Managing Director.

Shri Ayush Bagla, designated as Executive Director, shall discharge his duties and functions subject to the superintendence, direction and control of the Board of Directors and / or Chairman and Managing Director of the Company.

Shri Ayush Bagla, Executive Director shall be liable to retire by rotation.

However, Shri Ayush Bagla shall not exercise the powers as Executive Director, which are required to be exercised by the company in general meeting and / or by Board of Directors.

The principle terms and conditions of appointment of Shri Ayush Bagla, Executive Director are as follows:

**1. Period of Appointment:** Three (3) years w.e.f. 14.05.2019.

**2. Remuneration**

i) Basic Salary: In the range of ` 3,75,000/- to ` 6,50,000/- per month, w.e.f. 14.05.2019.

ii) Perquisites:

**Category – A**

a) Accommodation: Free furnished housing accommodation and / or house rent allowance as per rules of the Company.

b) Medical benefit: Medical benefit / Medical Allowance including medical reimbursement and Mediclaim for self and family subject to one month's salary in a year or three months' salary over a period of three years or as per the rules of the Company.

c) Leave Travel Concession: For self and family once in a year to and fro any place in India in accordance with the Rules of the Company.

d) Club Fees: Annual fee of one club. 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.

h) Performance Incentive: As may be decided by Board of Directors and / or Chairman and Managing Director.

**Category – B**

a) Contribution to Provident 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.

However, total remuneration payable to Shri Ayush Bagla 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 Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder or any amendment(s), modification(s), replacement(s) or re-enactment(s) thereof from time to time. In the event of absence or inadequacy of profit in any financial year during the tenure of his appointment, total remuneration payable shall not exceed the maximum limit prescribed under Schedule V of the Companies Act, 2013 and rules made thereunder or any amendment(s), modification(s), 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 or varied from time to time by the Board as it may, in its discretion deem fit, including the maximum remuneration payable to the Executive Director in accordance with Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder or any amendments made thereafter in this regard from time to time.
4. If at any time Shri Ayush Bagla ceases to be a Director of the Company for any cause whatsoever, he will cease to be the Executive Director.
5. If at any time Shri Ayush Bagla ceases to be an Executive Director for any cause whatsoever, he will cease to be a Director of the Company, unless the Board of Directors decide otherwise.
6. Shri Ayush Bagla, Executive Director, may resign from the service of the Company by giving three months' notice in advance. Similarly, the Company has the right to terminate his service as Executive Director at any time by giving three months' notice in writing or salary in lieu thereof.

Appointment of Shri Ayush Bagla as Executive Director and remuneration payable to him is approved by the Nomination and Remuneration Committee by a resolution at the meeting held on 14.05.2019.

The Board of Directors recommends the Special resolution as per item No. 6 of the accompanying notice for approval of the members of the Company.

Except, Shri Ayush Bagla, 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. 6 of notice. The disclosure under Regulation 36 of the SEBI (Listing Obligations and 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. 7**

Pursuant to the approval of shareholders obtained at the AGM held on 27.07.2017, a sum not exceeding 1% p.a. of the net profit of the Company calculated as per section 198 of the Companies Act, 2013, be paid and distributed among the directors not in whole time employment of the company in such manner, as the Board of Directors may from time to time determine.

Further, pursuant to Regulation 17(6)(ca) inserted vide Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which is effective from 1<sup>st</sup> April, 2019, consent of the members by way of special resolution is required every year, if the annual remuneration payable to a single Non-Executive Director in that year exceeds 50% of the total annual remuneration payable to all the Non-Executive Directors taken together.

In view of the increased involvement of Smt. Deepshikha Khaitan, Vice-Chairperson and Non-Executive Director, in the affairs of the Company and her active role in the Production, Sales, Marketing, Legal etc. and her strategic advices to the Board of Directors on number of matters, Board of Directors has proposed to pay ` 50 Lakhs as commission to her for the F.Y. 2019-20, which may exceed 50% of the total commission that may be payable to all other Non-Executive Directors of the Company and thus it is necessary to take approval of the shareholders of the Company by the way of Special Resolution.

The Board of Directors recommends the Special Resolution as per Item no. 7 of the accompanying notice for the approval of the members of the Company.

Except, Shri Vikram Somany and Smt. Deepshikha Khaitan, 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. 7 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.

Regd. Office :  
9, GIDC Industrial Estate,  
Kadi - 382 715  
Dist. Mehsana, Gujarat.  
14<sup>th</sup> May, 2019  
CIN : L26910GJ1998PLC034400

By Order of the Board of Directors  
**For Cera Sanitaryware Limited**  
  
**Narendra N. Patel**  
President & Company Secretary  
(FCS:3249)



**Procedure on e-voting**

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Sunday, 28<sup>th</sup> July, 2019 (10:00 a.m.) and ends on Tuesday, 30<sup>th</sup> July, 2019 (5:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday, 24<sup>th</sup> July, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders.
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	- Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Address Sticker.
Dividend Bank Details <b>OR</b> 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. - 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 (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for relevant Cera Sanitaryware Ltd. on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the log in password then enter the User ID and Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also use Mobile app - "m-Voting" for e-voting. Shareholders may login to m-Voting using their e voting credentials to vote for the company resolution(s).
- (xix) Note for Non - Individual Shareholders and Custodians:
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the log in should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## Directors' Report

To  
The Members,

The Directors have pleasure in submitting the Annual Report together with the Statement of Accounts of your Company for the year ended 31<sup>st</sup> March, 2019.

**Performance**

The summary of your Company's financial performance is given below:

	( ` in Lakhs)	
	Yearended March 31, 2019	Yearended March 31, 2018
Profit before Depreciation and Taxes & Exceptional item	<b>20301.36</b>	17679.44
Deducting there from Depreciation of	<b>2284.83</b>	2235.76
Profit before Tax	<b>18016.53</b>	15443.68
Deducting there from taxes of:		
- Current Year	<b>6015.29</b>	5009.99
- Deferred Tax	<b>495.91</b>	408.54
Profit for the year	<b>11505.33</b>	10025.15
Add/Less: Other comprehensive Income (Net of tax)	<b>(103.68)</b>	(90.21)
Total Comprehensive Income for the year.	<b>11401.65</b>	9934.94

**Transfer to Reserves**

The Company has transferred a sum of ` 5857.61 Lakhs to General Reserve in the current year (previous year ` 6359.68 Lakhs).

**Highlights / Performance of the Company**

Turnover (Net of GST / Excise) of the Company for the year increased by 13.70% to ` 133943.49 Lakhs as compared to ` 117808.72 Lakhs previous year.

Profit before Depreciation and Taxes & Exceptional Items for the year increased by 14.83% to ` 20301.36 Lakhs as compared to ` 17679.44 Lakhs previous year.

Profit after Tax for the year increased by 14.76% to ` 11505.33 Lakhs as compared to ` 10025.15 Lakhs previous year.

**Sanitaryware Unit**

During the year, the Company continued with its dominant position in the Indian market place. The Company's plant continued to operate at an optimum mix of high capacity utilization and production of technologically complex products. The Company continues to capitalize on evolving consumer tastes by introduction of differentiated products and maximise the use of Company owned experience center which serve as a large format consumer touch point.

Your Company has been constantly upgrading its technology, increasing automation, upgrading consumer visible manufacturing processes via robotic glazing machines which help in evenness of glaze and also save glaze, your Company is now going in for further mechanization of casting. The Company developed 3D printing machines allow designs to be prototypes in a manner of weeks, facilitating quicker time to market of new designs.

**Faucetsware Unit**

The business has attained critical mass, the product offerings span most consumer tastes in price and design. In Faucetware manufacturing, continuous technology upgradation programs have enabled higher productivity and minimum human intervention in the manufacturing process. Commissioning of the *Zamac* plant, has substituted imported *zamac* handles. Your Company has now embarked on further mechnisation and automation of production process.

Launch of new prototypes many of which are launched as products with the help of 4 axis 3D printing and robotic grinding and polishing, your Company has been able to differentiate products based on design, finish and consumer preferences.

**Bathware Unit**

Yoor Company continued its aggressive launches. This year the Company launched water heaters, which have been well accepted in the market.

**Senator by CERA**

Your Company premium offering, Senator by CERA aimed at discerning customers has been received overwhelmingly in the market. Senator consists of Sanitaryware, faucets, mirrors and wellness.

**JEET**

JEET, your Company's sanitaryware range aimed at affordable segment, has been readied for relaunch.

**ISVEA**

The Italian luxury designer sanitaryware, ISVEA, launched by your Company, exclusively in India, has established with over 50 showrooms.

**Modular Kitchens**

Your Company entered modular kitchens market, with the launch of Senator Cucine, in CERA Style Studio in Kochi, in the presence of over 400 trade associates, developers and architects. Senator cucine is made to measure in Italy.

**Tiles Unit**

Your company had a megs launch of new range of tiles, which was witnessed by over 500 dealers and 200 architects from all over India. The event established CERA's supremacy in range and quality of tiles.

Apart from the existing JV with Anjani Tiles Limited in Andhra Pradesh, your Company also entered into a JV with Milo Tiles LLP in Morbi, thus helping it in reaching out to West, North and East markets.

**Joint Ventures**

During the year company has entered into a Joint Venture with Milo Tiles LLP (Earlier Crown Ceramics – an established production facility since 2015) at Morbi, Gujarat with 26% Equity amounting to ` 806 Lakhs for producing high end Glazed Vitrified Floor Tiles of 7000 Sq. Mtr. per day.

**Packaging Unit**

The Joint Venture unit for manufacture of corrugated boxes has now achieved stabilised production. The products are now available on a just in time basis, built to the exacting specifications for the Company. The capacity utilization has increased considerably during the year. CERA holds an equity of 51%.