

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 Board comprises of ten Directors as on 31st March, 2017. None of the Non-Executive Directors of the Company has any pecuniary relationship or transaction with the Company, except Mr. G.L. Sultania, Non-Executive Non-Independent Director of the Company, who is in receipt of consultancy fees of ₹600,000/- (Rupees Six Lakhs Only) per annum, as approved by the Shareholders at their 47th Annual General Meeting of the Company held on 4th September, 2015. The non-executive directors of the Company are highly respected and accomplished professionals in the corporate and academic world. The Composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR, 2015).

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	4	4	Yes	6	-	3	161,385*
Mr. Abhishek Somany	P	4	4	Yes	2	-	-	85,500
Mr. R. K. Daga	I	4	4	Yes	2	1	1	5,000
Mr. G. L. Sultania	N	4	4	No	9	-	1	1,250
Mr. Salil Singhal	I	4	3	No	5	-	1	-
Mr. Ravinder Nath	I	4	4	No	3	1	2	-
Dr. Y. K. Alagh	I	4	4	No	1	-	2	-
Mr. Siddharath Bindra	I	4	3	No	0	-	-	2,000
Mr. Narayan Anand**	N&O	4	3	No	2	-	-	-
Mrs. Anjana Somany	P	4	3	No	2	-	-	94,150

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

(§) 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. Narayan Anand who was appointed as Nominee Director by Latinia Limited resigned from the Company w.e.f 12th April, 2017, consequent upon disposal of shareholding by the said Latinia Limited.

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 (LODR), 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 Four Board meetings held during the year 2016-17 i.e. on 21st May, 28th July, 26th October in 2016 and on 24th January in 2017.

3. CODE OF CONDUCT

The Board of Directors has adopted a Code of Conduct for all Board members and senior 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 (LODR, 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. CEO/CFO CERTIFICATION

The CEO and DY. CEO & CFO of the Company have issued a certificate in terms of Regulation 17(8) of the SEBI (LODR, 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 the Annual Report.

5. COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Composition

The Audit Committee comprises of five members at present, 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 (LODR, 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 and Dr. Y.K. Alagh Mr. Siddharath Bindra was inducted as a member of the committee with effect from 28th July, 2016. 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 (LODR, 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
- 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 the 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, Dy. Chief Executive Officer & Chief Financial Officer, President (Sales & Marketing), Vice-President (Finance), Vice President (Commercial) & other departmental heads.

Frequency of Meetings

During the year 2016-17, four Audit Committee meetings were held on 21st May, 28th July, 26th October in 2016 and on 24th January in 2017.

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

The attendance of the Audit Committee Meetings is given below:

Name of Member Director	No. of Meetings 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. Salil Singhal (Member)	4	3
Dr. Y. K. Alagh (Member)	4	4
Mr. Siddharath Bindra* (Member)	2	1

*Mr. Siddharath Bindra was inducted as member of the Committee w.e.f. 28th July, 2016.

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

36,500 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, 2017.

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, was inducted as member of Stakeholder's Relationship Committee w.e.f. 28th July, 2016. 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 2016-17, i.e. on 21st May, 28th July, 26th October in the year 2016 and on 24th January in the year 2017. During the year 8 complaints were received and resolved. There were no complaints of Shareholders pending as on 31st March, 2017.

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 the other Members of the Committee.

During the year 2016-17, Two Committee meetings were held i.e. on 21st May, 2016 and 28th July, 2016.

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)	2	2
Mr. G. L. Sultania (Member)	2	2
Mr. Siddharath Bindra (Member)	2	2

Terms of Reference

Terms of reference of the Nomination and Remuneration Committee are as per the guidelines set out in the SEBI (LODR, 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 chairpersons or members;
 - (j) Strive to attend the general meetings of the Company;
 - (k) Keep themselves well informed about the Company and the external environment in which it operates;
 - (l) Do not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
 - (m) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;
 - (n) Abide by Company's Memorandum and Articles of Association, Company's Policies and procedures including code of conduct, insider trading guidelines etc.

The performance of Executive Directors is also be 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 2016-17 are as follows:

Directors	Salary & perquisites (₹) **	Commission for 2015-16 (₹)	Sitting Fees (₹)	Total (₹)
Mr. Shreekant Somany*	26,284,260	18,190,662	--	44,474,922
Mr. Abhishek Somany*	24,465,140	18,359,611	--	42,824,751
Mrs. Anjana Somany*	2,319,484	68,493	-	2,387,977
Mr. R. K. Daga	--	500,000	115,000	615,000
Mr. G. L. Sultania	--	500,000	110,000	610,000
Mr. Salil Singhal	--	500,000	85,000	585,000
Mr. Ravinder Nath	--	500,000	85,000	585,000
Dr. Y.K. Alagh	--	500,000	85,000	585,000
Mr. Siddharath Bindra	--	500,000	70,000	570,000
Mr. Narayan Anand***	--	500,000	45,000	545,000

During the year under review, fee of ₹6,00,000/- (Rupees Six Lakhs only) excluding applicable service tax, was paid to M/s. G.L. Sultania & Co. Proprietor Mr. G.L. Sultania, Non-Executive Non-Independent Director of the Company, for consultancy services provided as approved by the shareholders of the Company in their 47th Annual General Meeting held on 4th September, 2015.

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

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

*** Mr. Narayan Anand was appointed as Nominee Director of M/s Latinia Limited, and resigned with effect from 12th April 2017, consequent upon disposal of shareholding by the said Latinia Limited.

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 and Mr. Ravinder Nath, Non-Executive Independent Directors of the Company are the other members of the Committee. Mr. Siddharath Bindra was inducted as member of the committee by the Board of Directors w.e.f. 26th October, 2016.

During the year ended 31st March, 2017, five Committee meetings were held i.e. on 28th July, 26th October, 7th November, 10th December in 2016 and 24th January in the year 2017, 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	5	5
Mr. Salil Singhal	Independent	5	3
Mr. Ravinder Nath	Independent	5	4
Mr. Siddharath Bindra*	Independent	3	1

*Mr. Siddharath Bindra was inducted as member of the Committee w.e.f. 26th October, 2016.

COMPANY ADMINISTRATIVE COMMITTEE

The Company Administrative Committee was constituted by the Board for considering matters routine in nature and matters require to be resolve between two Board Meetings of the Company. Mr. Shreekant Somany, Chairman and Managing Director of the Company, is the Chairman of the Committee. Mr. Abhishek Somany, Managing Director, Mr. Salil Singhal and Mr. Siddharath Bindra, Non-Executive Independent Directors of the Company are other members of the Committee. During the year ended 31st March, 2017, three Committee meetings were held i.e. on 4th June, 2nd August, in the year 2016 and on 21st February in the year 2017 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	3	3
Mr. Abhishek Somany	Independent	3	3
Mr. Salil Singhal	Independent	3	2
Mr. Siddharath Bindra	Independent	3	1

6. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code for Independent Directors under Schedule IV to the Companies Act, 2013 and Regulation 25 (3) of the SEBI (LODR, 2015), a separate meeting of the Independent Directors of the Company

was held on 24th January, 2017 and attended by the Independent Directors except Mr. Siddharath Bindra and Mr. Salil Singhal 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](http://www.somanyceramics.com/training-directors/) 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. During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of Board's functioning such as composition of Board & its Committees, experience and competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors, including the Board 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-subsiadiary.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 (LODR, 2015) during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section

188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website i.e. www.somanyceramics.com 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

12. GENERAL BODY MEETINGS

The details of all the General Body Meetings conducted in the 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	Venue
2016-17	02.09.2016	10.30 A.M.	48 th Annual General Meeting
2015-16	04.09.2015	10.30 A.M.	47 th Annual General Meeting
2014-15	04.09.2014	10.30 A.M.	46 th Annual General Meeting

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

Date of Meeting held	AGM/EOGM	Subject matter of the resolution
2 nd September, 2016	AGM	<ul style="list-style-type: none"> 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.
4 th September, 2015	AGM	<ul style="list-style-type: none"> Adoption of new set of Article of Association of the Company.
4 th September, 2014	AGM	<ul style="list-style-type: none"> Re-appointment of Mr. Shreekant Somany (DIN 00021423) as Chairman & Managing Director of the Company with effect from 1st September, 2014 till 31st August, 2017. Re-appointment of Mr. Abhishek Somany (DIN 00021448) with effect from 1st June, 2015 till 31st May, 2018 and re-designated as Managing Director of the Company with effect from such re-appointment.

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 4 Special Resolutions through Postal Ballot conducted during the year 2016-17 as per Postal Ballot notice dated 24th January, 2017, the result of which were announced on 23rd March, 2017, details of which are as follows:.

Agenda	Increase in the borrowing powers of the Company.						
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	21,839,360	21,839,360	100.00	21,839,360	NIL	100.00	0.00
Public- Institutional holders	6,819,519	6,100,556	89.46	6,100,556	NIL	100.00	0.00
Public - Others	13,720,547	4,725,995	34.44	4,724,995	NIL	99.98	0.00
Total	42,379,426	32,665,911	77.08	32,664,911	NIL	100.00	0.00

* One shareholder holding 1,000 shares has abstained from voting on Resolution.

Agenda	Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings.						
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	21,839,360	21,839,360	100.00	21,839,360	NIL	100.00	0.00
Public- Institutional holders	6,819,519	6,100,556	89.46	5,935,746	NIL	97.30	0.00
Public - Others	13,720,547	4,725,995	34.44	4,724,994	1,001	99.98	0.02
Total	42,379,426	32,665,911	77.08	32,500,100	1,001	99.49	0.00

* Three shareholders holding 164810 shares has abstained from voting on Resolution.

Agenda	Authorization to the Board of Directors to make loan(s) and give guarantee(s), provide security (ies) or make investment(s) in excess of the prescribed limit under Section 186 of the Companies Act, 2013						
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	21,839,360	21,839,360	100.00	21,839,360	NIL	100.00	0.00
Public- Institutional holders	6,819,519	6,100,556	89.46	5,555,061	380,685	91.06	6.24
Public - Others	13,720,547	4,725,995	34.44	4,366,065	467	92.38	0.01
Total	42,379,426	32,665,911	77.08	31,760,486	381,152	97.23	1.17

* Four shareholders holding 524273 shares has abstained from voting on Resolution.

Agenda	To issue Secured or Unsecured Redeemable Non-Convertible Debentures (NCD's) on Private Placement basis						
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	21,839,360	21,839,360	100.00	21,839,360	NIL	100.00	0.00
Public- Institutional holders	6,819,519	6,100,556	89.46	6,100,556	NIL	100.00	0.00
Public - Others	13,720,547	4,725,995	34.44	4,725,995	NIL	100.00	0.00
Total	42,379,426	32,665,911	77.08	32,665,911	NIL	100.00	0.00

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, 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 (LODR, 2015).

The Independent Directors have confirmed that they meet the criteria of 'Independence as stipulated under Regulation 16(1)(b) of the SEBI (LODR, 2015).

There were no materially significant related party transaction which may have potential conflict with the Interest of the Company at large, except that of Mr. G.L. Sultania, Non-Executive Non-Independent Director of the Company and proprietor of M/s. G. L. Sultania & Co., who is in receipt of consultancy fees of ₹600,000/- (Rupees Six Lakhs Only) excluding service tax per annum, as approved by the Shareholders at their 47th Annual General Meeting of the Company held on 4th September, 2015. 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.

16. MEANS OF COMMUNICATION

The annual, half yearly and quarterly results of the Company are generally published in Economic Times (Delhi, Mumbai), (English edition), Economic Times (Mumbai, Gujrati edition), The Financial Express (English Edition) New Delhi and Jansatta (New Delhi), (Hindi 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 (LODR, 2015) and posted on its website: www.somanyceramics.com. The presentations made to Institutional investors/ analysts are available at website of Company i.e. www.somanyceramics.com at the web link at <https://www.somanyceramics.com/presentations/>

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

18. GENERAL SHAREHOLDER'S INFORMATION

Registered Office

82/19, Bhakerwara Road, Mundka

New Delhi – 110 041

Phone : 011-28341085, Fax : 011-28341085

Email : cs@somanytiles.co.in

Plant locations

- i) V & P.O Kassar, Bahadurgarh
Distt. Jhajjar, Haryana - 124507
Phone: 01276-223300 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 49th Annual General Meeting of the Company will be held on, Friday, the 25th August, 2017 at Lakshmiapat Singhania Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 at 10.30 A.M.

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

Financial Reporting for 2017-2018 is as follows:

First Quarter : Third week of August, 2017

Second Quarter : Third week of November, 2017

Third Quarter : Third week of February, 2018

Fourth Quarter : Fourth week of May, 2018

Market Price Data:

	National Stock Exchange of India Limited*			BSE Limited*		
	High (₹)	Low (₹)	No. of Shares Traded	High (₹)	Low (₹)	No. of Shares Traded
Apr-16	450.85	370.00	175,163	450.00	372.00	30,940
May-16	496.35	404.00	607,764	495.00	405.50	138,632
Jun-16	587.95	464.50	462,301	587.80	452.50	70,492
Jul-16	659.80	560.00	937,365	647.90	561.00	148,927
Aug-16	626.85	560.30	291,142	625.00	562.00	44,619
Sep-16	622.00	531.00	410,938	624.85	571.00	150,939
Oct-16	714.40	590.00	616,359	714.00	594.05	95,273
Nov-16	672.00	489.25	441,052	671.00	490.00	43,616
Dec-16	536.00	470.15	926,810	537.00	471.05	134,428
Jan-17	640.35	470.05	1,037,792	639.95	472.00	207,292
Feb-17	636.80	585.00	207,459	625.00	586.60	38,950
Mar-17	702.00	615.10	422,157	702.00	620.00	94,332

*Source: Official website of BSE and NSE

21. BOOK CLOSURE DATE

11th August, 2017 to 25th August, 2017 (both days inclusive)

22. DIVIDEND

The Board of Directors of Company has recommended a dividend of ₹2.70 per equity shares of ₹2/- each for the year ended 31st March, 2017 subject to approval of the Shareholders at the ensuing 49th 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 30th August, 2017.

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 2017-2018.

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

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 with valid documents are transferred and share certificates are returned in physical form within the time prescribed under the SEBI (LODR, 2015).

26. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2017

No. of Equity Shares	Number of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1 to 500	7,078	84.45	613,420	1.45
501 to 1000	581	6.93	453,283	1.07
1001 to 2000	260	3.10	400,219	0.94
2001 to 3000	116	1.39	296,827	0.70
3001 to 4000	47	0.56	172,973	0.41
4001 to 5000	66	0.79	307,763	0.73
5001 to 10000	93	1.11	657,621	1.55
10001 and Above	140	1.67	39,477,320	93.15
Total	8,381	100.00	42,379,426	100.00

Categories of Shareholding as on 31st March, 2017.

Category	Number of Shares	Percent
Indian Promoters	21,839,360	51.53
Mutual Funds & UTI, Alternate Investment Funds	4,321,867	10.20
Banks, Financial Institutions, Insurance Companies	15,916	0.04
NBFCs Registered with RBI	1,771	0.00
Foreign Portfolio Investors	2,651,799	6.26
Foreign Institutional Investors	46,544	0.11
Corporate Bodies	1,583,665	3.74
Indian Public	6,222,342	14.68
NRIs/Foreign Companies	5,617,389	13.25
Trusts	66,851	0.16
Clearing Members	6,672	0.02
Foreign Portfolio Investors (Individual)	5,250	0.01
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 1068869 (2.52%) and in NSDL are 40675877 (95.98%) representing 41744746 (98.50%) Equity shares of the paid-up capital of the Company as on 31st March, 2017. The total shares held in physical form are 634680 (1.50%).

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

During the year 2016-17, 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 2016-17, 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. R.K. Lakhotia, Vice President (Finance) at:

V & P.O Kassar – 124507, Bahadurgarh

Distt. Jhajjar, Haryana, India

Phone : 01276-223300 Fax : 01276-241011

Email : fin@somanytiles.co.in

Shareholder's Enquiries: Individuals may contact

Mr. Shyamalendu Banerjee at:

2, Red Cross Place, Kolkata – 700 001

Phone : 033-22487406/7 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 the redressal of investor grievances viz; sclinvestors@somanytiles.co.in

32. PARTICULARS IN RESPECT OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ENSUING 49TH ANNUAL GENERAL MEETING OF THE COMPANY, PURSUANT TO REGULATION 36(3) OF THE SEBI (LODR, 2015)

Mr. Shreekant Somany

Aged about 69 years, Mr. Somany (DIN: 00021423) is a graduate and holds Bachelor degree in Science. He has over three decades of rich experience in Ceramics Tiles, Sanitaryware and Glass industry. He is on the Board of the Company since 1st September, 1992 and has taken many innovative steps to make the organization a world class Company in ceramic tiles. He played a significant role in the invention of the company's patented product VC (Veil craft) Shield, which is a High Abrasion Resistant Glaze Tile. He contributes and holds prestigious offices in social and intellectual organizations. He was a member of the CII Delegation to Russia led by Union Commerce Minister in September 2009. 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	Somany Ceramics Limited	Chairman & Managing Director	-	-	Member
2	SR Continental Limited	Director	-	-	-
3	Sarvottam Vanijya Limited	Director	-	-	-
4	Cosmo Ferrites Limited	Director	-	Chairman	-
5	Shree Cement Limited	Director	Member	Member	-
6	Somany Global Limited	Director	-	-	-
7	JK Tyre and Industries Limited.	Director	Member	-	Member

Mr. Abhishek Somany

Aged about 45 years, Mr. Somany (DIN: 00021448), has done his Bachelor of Business Administration from Richmond University, U.K. with specialization in finance and marketing. He has played a major role in the growth of the Company. He has provided dynamic leadership in all the areas related to Company's business in general and marketing and brand building in particular. The details of his directorship and membership in 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	Somany Ceramics Limited	Managing Director	-	-	-
2	Somany Global Limited	Director	-	-	-
3	Sarvottam Vanijya Limited	Director	-	-	-

For and on behalf of the Board
for Somany Ceramics Limited

Shreekant Somany
Chairman and Managing Director
DIN No.: 00021423

33. AUDITORS' CERTIFICATE

To

The Members of SOMANY CERAMICS LIMITED

We have examined the compliance of regulations of Corporate Governance by Somany Ceramics Limited for the Financial Year ended 31st March 2017, as stipulated in Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of the regulations of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the regulations 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 with the regulations 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 LODHA & CO.
Chartered Accountants
Firm's Registration No. 301051E

N.K. LODHA
Partner
M. No. 85155

Place: Chandigarh
Date: 24th May, 2017

34. 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, 2017.

G.G. Trivedi

Chief Executive Officer

Place : New Delhi

Date: 24th May, 2017

35. 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, 2017 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,

G.G. Trivedi

Chief Executive Officer

Place: New Delhi

Date: 24th May, 2017.

T.R. Maheshwari

Dy. Chief Executive Officer
& Chief Financial Officer