

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Corporate Governance Practices are strength of any successful enterprise. The Company's visionary founder had laid the foundation for good governance and made it an integral part of the Company's philosophy which has characteristics of fairness, accountability, disclosure and transparency. This has enabled your Company to achieve sustainable growth on its journey to continue success, thereby meeting the expectations of the stakeholders. The Company places emphasis on business ethics and responsible conduct and to disclosures of operating performance and other key events on timely basis to its shareholders and the stakeholders. The Company views its role as trustees of its shareholders, stakeholders and society at large.

2. BOARD OF DIRECTORS

The Company's Board consists of an optimal combination of Executive

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

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

Director	Category	No. of Board Meetings held during the tenure of the Member	No. of Board Meetings attended	Attended last AGM	Number of Directorships in other companies ⁽⁵⁾	No. of Committee positions held in other companies [@]		No. of shares held
						Chairman	Member	
Mr. Shreekant Somany	P	5	5	Yes	6	–	3	4,75,240*
Mr. Abhishek Somany	P	5	4	Yes	2	–	–	85,500
Mrs. Anjana Somany	P	5	4	No	2	–	–	94,150
Mr. R. K. Daga	I	5	5	Yes	2	1	1	5,000
Mr. G. L. Sultania	N	5	5	No	9	–	1	1,250
Mr. Salil Singhal	I	5	4	No	5	–	1	–
Mr. Ravinder Nath	I	5	3	No	3	1	2	–
Dr. Y. K. Alagh	I	5	1	No	1	–	2	–
Mr. Siddharath Bindra	I	5	4	No	0	–	–	2,000
Mr. Ghanshyambhai Girdharlal Trivedi **	N	3	3	N.A.	0	–	–	2,000

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

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

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

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

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

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

INTER-SE RELATIONSHIP OF DIRECTORS

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

BOARD FUNCTIONS

Apart from review and consideration of matters referred to under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board also undertakes the following:

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

MEETING OF THE BOARD OF DIRECTORS

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

3. CODE OF CONDUCT

The Board of Directors has adopted a Code of Conduct for all Board members and senior management personnel of the Company after suitably incorporating duties of Independent Directors as laid down under Schedule IV to the Companies Act, 2013 and the same is being abided by all on annual basis in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A declaration to this effect, duly signed by Chief Executive Officer was placed before the Board and is enclosed forming part of this report. The Code of Conduct framed by the Company is posted on the Company's website i.e. www.somanyceramics.com

4. CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The CEO and CFO of the Company have issued a certificate pursuant

to the provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of this Annual Report.

5. COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Composition

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

Terms of Reference

Brief description of the terms of reference are:-

- Effective supervision of the financial reporting process, ensuring financial and accounting controls and compliance with the policies of the Company,
- Periodical interaction with the statutory and internal auditors to ascertain the quality and veracity of the Company's transactions,
- Grant of Omnibus approval for transactions contemplated to be undertaken by the Company with related parties subject to the approval of shareholders of the Company as may be required,
- Review of adequacy and effectiveness of Internal Audit Function and the Internal Control System,
- Overall direction on the risk management system,
- Review of the annual and quarterly financial statements with management before submission to the Board,
- Compliance with Listing and other legal requirements relating to financial statements,

- Review related party transactions,
- Review functioning of Vigil Mechanism, qualifications in the audit report, if any,
- Carry out any other functions as may be specified by the Board from time to time.

Invitees to the Audit Committee

Both the Statutory and Internal Auditors of the Company are regular invitees to the Audit Committee meetings to brief the committee members on the respective reports. The meeting of the Audit Committee is generally attended by the Chairman & Managing Director, Chief Executive Officer, Chief Financial Officer, Chief Marketing Officer and other departmental heads.

Frequency of Meetings

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

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

The attendance of the Audit Committee Meetings is given below:

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

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

SHARE TRANSFER COMMITTEE

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

STAKEHOLDER'S RELATIONSHIP COMMITTEE

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

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

NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee comprising of three Non-executive directors, of which more than half are Independent Directors. Mr. R.K. Daga, Non-executive Independent Director is the Chairman of the Committee. Mr. G. L. Sultania, Non-executive Non-Independent Director and Mr. Siddharath Bindra, Non-executive Independent Director are other member of the Committee.

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

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

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

Terms of Reference

Terms of reference of the Nomination and Remuneration Committee

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

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

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS AND THE BOARD:

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

- (a) Act objectively and constructively while exercising their duties;
- (b) Exercise their responsibilities in a bonafide manner in the interest of the Company;
- (c) Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) Refrain from any action that would lead to loss of his independence;
- (f) Inform the Board immediately when they lose their independence;
- (g) Assist the Company in implementing the best corporate governance practices;

- (h) Strive to attend all meetings of the Board of Directors and the Committees;
- (i) Participate constructively and actively in the committees of the Board in which they are chairperson or members;
- (j) Strive to attend the general meetings of the Company;
- (k) Keep themselves well informed about the Company and the external environment in which it operates;
- (l) Do not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- (m) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;
- (n) Abide by Company's Memorandum and Articles of Association, Company's Policies and procedures including code of conduct, insider trading guidelines etc.

The performance of Executive Directors is also evaluated on the basis of Targets/ Criteria met by them, as given by the Board from time to time.

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

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

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

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

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

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

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

Apart from sitting fees, the Non-Executive directors are entitled for commission @1% of net profits of the Company in terms of resolution passed by the Shareholders of the Company at their Annual General Meeting held on 2nd September, 2013 subject to maximum of ₹ 5,00,000/- (Rupees five Lakhs only) to each Non-Executive Director of the Company upto and for the Financial Year ended 31st March, 2018.

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

During the year ended 31st March, 2018, three committee meetings were held i.e. on 24th May, 9th October in 2017 and on 30th January in the year 2018, which were attended by the members as under:

Director	Category	No. of meetings held during the tenure of the Member	No. of meetings attended
Mr. Abhishek Somany	Non-Independent	3	3
Mr. Salil Singhal	Independent	3	3
Mr. Ravinder Nath	Independent	3	1
Mr. Siddharath Bindra	Independent	3	3

COMPANY ADMINISTRATIVE COMMITTEE

The Company Administrative Committee was constituted by the Board for considering matters routine in nature and matters require to be

resolved between two Board Meetings of the Company. Mr. Shreekant Somany, Chairman and Managing Director of the Company, is the Chairman of the Committee. Mr. Abhishek Somany, Managing Director, Mr. Salil Singhal and Mr. Siddharath Bindra, Non-Executive Independent Directors of the Company are other members of the Committee. During the year ended 31st March, 2018, two committee meetings were held i.e. on 9th October, 2017 and 23rd March, 2018 which were attended by the members as under:

Director	Category	No. of meetings held during the tenure of the Member	No. of meetings attended
Mr. Shreekant Somany	Non-Independent	2	-
Mr. Abhishek Somany	Non-Independent	2	2
Mr. Salil Singhal	Independent	2	2
Mr. Siddharath Bindra	Independent	2	2

6. SEPARATE MEETING OF INDEPENDENT DIRECTORS

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

7. INDUCTION AND TRAINING OF INDEPENDENT DIRECTOR

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as the nature of industry in which the Company operates through induction programmes at the time of their appointment as Directors. On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction programme giving brief description on Company's manufacturing, marketing, finance and other important

aspects. The Company Secretary, briefs the Director about their legal and regulatory responsibilities as a Director. The induction for Independent Directors include interactive sessions with Business and Functional heads. The details of familiarisation programmes for Independent Directors are uploaded on the website of the Company, i.e. www.somanyceramics.com at the weblink: <https://www.somanyceramics.com/training-directors/>

8. EVALUATION OF THE BOARD'S PERFORMANCE

One of the key functions of the Board is to monitor and review the Board evaluation framework. Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Regulations, 2015), the Board has carried out evaluation of performance of Individual Directors and as well as that of its Committees, including Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of Board's functioning such as composition of Board & its Committees, experience and competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors, including the Board as a whole, Chairman, who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholder's interest etc.

9. WHISTLE BLOWER POLICY/ VIGIL MECHANISM

With the rapid expansion of business in terms of volume, value and geography, various risks associated with the business have also increased considerably. One such risk identified is the risk of fraud & misconduct. The Audit Committee is committed to ensure fraud free work environment and to this end the said Committee has laid down a Whistle Blower Policy, duly approved by the Board, providing a platform to all the employees, vendors and customers to report any suspected fraud or error or confirmed incident of fraud /misconduct. The Board has adopted the Policy on Vigil Mechanism and uploaded the same on the Company's website i.e. www.somanyceramics.com at the weblink: <https://www.somanyceramics.com/wp-content/uploads/pdfs/policies/whistel-blower-policy.pdf>

10. SUBSIDIARY COMPANIES

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in

the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee meeting and Board meeting of the Company. Copies of the Minutes of the Board Meetings of Subsidiary Companies are circulated to all the Directors along with the agenda for the Board Meetings of the Company. The Board has approved and adopted a policy for determining Material Subsidiaries which has been uploaded on the Company's website i.e. www.somanyceramics.com and at the web link i.e. <https://www.somanyceramics.com/wp-content/uploads/pdfs/policies/policy-on-material-subsiary.pdf>

11. RELATED PARTY TRANSACTIONS

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

12. GENERAL BODY MEETINGS

The details of all the General Body Meetings conducted in last 3 years which were held at LakshmiPat Singhania Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110 016:

Year	Date	Time	AGM
2017-18	25.08.2017	10.30 A.M.	49 th Annual General Meeting
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

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

Date of Meeting held	AGM/EOGM	Subject matter of the resolution
25 th August, 2017	AGM	<ul style="list-style-type: none"> Re-appointment of Shri Shreekant Somany (DIN: 00021423) as the Chairman & Managing Director of the Company for a further period of 3 (Three) consecutive years, commencing from 1st September, 2017 till 31st August, 2020. Re-appointment of Shri Abhishek Somany (DIN: 00021448) as the Managing Director of the Company for a further period of 5 (Five) consecutive years, commencing from 1st June, 2018 till 31st May, 2023.
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.

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

14. POSTAL BALLOT

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

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

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

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

The Procedure for Postal Ballot:

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

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

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

15. DISCLOSURES

There has been no instance of non-compliance by the Company on any

matter related to capital markets and hence the question of imposition of penalties or strictures on the Company by the Stock Exchanges or SEBI or any statutory authority, does not arise.

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

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

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

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

16. MEANS OF COMMUNICATION

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

17. "MANAGEMENT DISCUSSION AND ANALYSIS" IS A PART OF THE ANNUAL REPORT.**18. GENERAL SHAREHOLDER'S INFORMATION****Registered Office**

2, Red Cross Place,
Kolkata - 700001

Phone: 033-22487406/5913

E-mail: cs@somanytiles.co.in

Plant locations

- i) V & P.O Kassar, Bahadurgarh
Distt. Jhajjar, Haryana - 124507
Phone: 01276-223300 Fax : 01276-241011
Email: cs@somanytiles.co.in
- ii) GIDC Industrial Area,
Distt. Mehsana, Kadi,
Gujarat - 382715
Ph : 02764-242153/54, Fax : 02764-263011

19. DATE AND VENUE OF ANNUAL GENERAL MEETING

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

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

Financial Reporting for 2018-2019 is as follows:

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

21. BOOK CLOSURE DATE

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

Market Price Data:

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

*Source: Official website of BSE and NSE

22. DIVIDEND

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

23. LISTING ON STOCK EXCHANGE

Shares of the Company are listed at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company has paid annual listing fees to both the Exchanges for the financial year 2018-2019.

National Stock Exchange of India Limited (NSE)

"Exchange Plaza",

Bandra-Kurla Complex,

Bandra (E), Mumbai – 400 051

Trading Symbol :- SOMANYCERA

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,

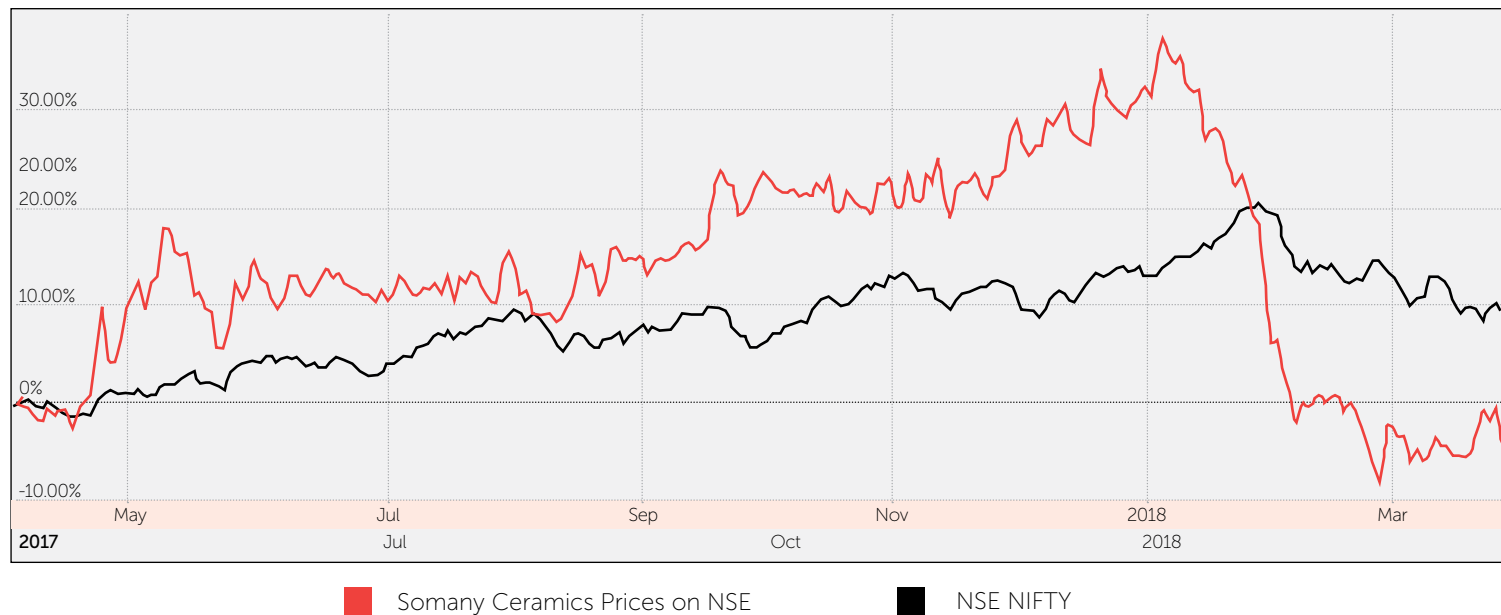
Dalal Street, Mumbai – 400 001

Scrip Code : 531548

Demat ISIN Number for NSDL and CDSL: INE 355A01028

PERFORMANCE IN COMPARISON TO BROAD BASED INDICES

Somany Ceramics Limited Price on NSE & NSE NIFTY



*Source: Official website of NSE

24. REGISTRAR & SHARE TRANSFER AGENT

(Both for physical and demat segment)

Maheshwari Datamatics Pvt. Ltd.

23, R. N. Mukherjee Road,

5th Floor, Kolkata – 700 001

Phone No. 033-2243 5809/2248 2248

E-mail: mdpldc@yahoo.com

25. SHARE TRANSFER SYSTEM

The Company's shares are traded on stock exchanges in compulsory demat mode. Shares in physical mode lodged with the Company or RTA with valid documents are transferred and share certificates are returned in physical form within the time prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

Categories of Shareholding as on 31st March, 2018.

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

27. DEMATERIALISATION OF SHARES

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

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

During the year 2017-18, there were no outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date, which would have an impact on the equity of the Company.

29. STOCK OPTIONS

The Company has not issued any stock option.

30. COMMODITY PRICE/FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

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

31. CONTACT FOR CLARIFICATION ON FINANCIAL STATEMENTS:

Individuals may contact

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

Shareholder's Enquiries: Individuals may contact

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

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

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

Mr. Ghanshyambhai Girdharlal Trivedi

Aged about 71 years, is an Associate Member of ICMA and holds degree in M.Sc. and LL.B. He has over 48 years of experience which includes 30 years of his rich experience in Ceramics, Glass and Sanitary Ware Industry. He is a Member of many reputed organizations' like ACS, AIMA, Indian Ceramic Society and AIPMA and is associated with the several professional bodies contributing to the growth and development of Ceramic, Glass and Sanitary Ware Industry in India. He is playing advisory role as a member of Committee of CGCRI-Ahmedabad, Council Member of ICS and AIPMA. He has participated in several National and International Conferences and has presented research papers which

have benefited the Industry at large. He is associated with the Company since 1987 and retired as CEO w.e.f. 17th August, 2017. He is holding 2000 equity shares of the Company. The details of his directorship and membership in Companies are given below:

Sl. no.	Name of the Public Limited Company in which he is a Director	Chairman/ Director	Position held in		
			Audit Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee
1	Somany Ceramics Limited	Director	1	1	1

Mrs. Anjana Somany

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

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

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

Mr. Rameshwar Singh Thakur

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

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

For and on behalf of the Board
For Somany Ceramics Limited

Shreekant Somany

Chairman and Managing Director

DIN No.: 00021423

33. DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

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

T. R. Maheshwari

Chief Executive Officer

Place : New Delhi

Date: 22nd May, 2018

34. CEO/CFO CERTIFICATION

The Board of Directors

Somany Ceramics Limited

We have reviewed the financial statements and the cash flow statement

of Somany Ceramics Limited for the year ended 31st March, 2018 and that to the best of our knowledge and belief, we state that;

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) there are, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) we have indicated to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in the internal control over financial reporting during the year.
 - (ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,

T.R. Maheshwari

Chief Executive Officer

Place: New Delhi

Date: 22nd May, 2018

Saikat Mukhopadhyay

Chief Financial Officer