

CORPORATE GOVERNANCE REPORT

1 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is aimed at creating and nurturing a valuable bond with stakeholders to maximise stakeholders' value. 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 Composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015), having an optimal combination of Executive Directors and Non-Executive Directors with varied professional backgrounds, representing a judicious mix of professionalism, knowledge and experience. As on March 31, 2020, the Company's Board comprised of Eleven (11) directors, of which three (3) are Executive Directors out of which two are Managing Director and one is Whole Time Director, Six (6) are Independent Directors and two (2) are Non-Executive Non Independent Director. None of the Non-Executive Director of the Company has any pecuniary relationship or transaction with the Company except Mr. Ghanshyam Girdharbhai Trivedi, Non-Executive Non Independent Director, being paid ₹35 lakh (Rupees Thirty Five Lakh Only) towards Technical Consultancy Fees during the period from August 18, 2019 to August 17, 2020 and Mr. Tuljaram Maheshwari, Non- Executive Non Independent Director being paid ₹44.86 Lakh (Rupees Forty Four Lakh Eighty Six Thousand Only) towards consultancy fee during the period from May 1, 2019 to December 31, 2019 which was approved by the Audit Committee as well as by the Board of Directors of the Company.

It is hereby confirmed that Independent Directors have fulfilled all the conditions of Listing Regulations and they are Independent of the Management. It is hereby further confirmed that none of the Independent Directors resigned during the period under review.

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 shares held
					Chairman	Member	
Mr. Shreekant Somany	P	10	9	Yes	4	1	-
Mr. Abhishek Somany	P	10	10	Yes	1	-	18,49,093*
Mrs. Anjana Somany	P	10	9	No	-	-	10,84,468
Mr. Salil Singhal	I	10	6	No	4	-	-
Mr. Ravinder Nath	I	10	6	No	2	1	-
Mr. Siddharath Bindra	I	10	8	No	-	1	12,000
Mr. Rameshwar Singh Thakur	I	10	5	Yes	1	-	-
Mrs. Rumjhum Chatterjee	I	10	8	No	2	-	-
Mr. Vineet Agarwal #	I	9	6	No	5	5	-
Mr. Ghanshyam Girdharbhai Trivedi	N	10	5	No	1	-	2,000
Mr. Tuljaram Maheshwari ##	N	9	6	No	-	-	-

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

(\$) Excludes Directorships in Indian Private Limited Companies other than subsidiaries of Public Limited Companies and memberships of various Chambers

and other non-corporate organizations.

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

*These shares are held as Karta of Abhishek Somany (HUF).

Mr. Vineet Agarwal who was appointed as an Additional Director (under the category of Independent Director) w.e.f. May 1, 2019 and was appointed as an Independent Director for a term of five years w.e.f. May 1, 2019 to April 30, 2024 in the 51st Annual General Meeting of the Company held on August 19, 2019.

Mr. Tuljaram Maheshwari was appointed as an Additional Director - Non-Executive & Non-Independent Director w.e.f. May 1, 2019 who was appointed/regularized as Non-Executive & Non-Independent Director in the 51st Annual General Meeting of the Company held on August 19, 2019.

Name of Director	Listed entities where the person is a director	Category of directorship
Mr. Shreekant Somany	Shree Cement Limited	Independent Director
	JK Tyre & Industries Limited	Independent Director
Mr. Abhishek Somany	-	-
Mrs. Anjana Somany	-	-
Mr. Salil Singhal	-	-
Mr. Ravinder Nath	Voith Paper Fabrics India Limited	Independent Director
	Kanoria Chemicals & Industries Limited	Independent Director
Mr. Siddharath Bindra	-	-
Mr. Rameshwar Singh Thakur	-	-
Mrs. Rumjhum Chatterjee	Blue Star Limited	Independent Director
Mr. Vineet Agarwal	Transport Corporation of India Ltd.	Managing Director
	TCI Express Ltd.	Non-Executive Director
	TCI Developers Ltd.	Non-Executive Director
Mr. Ghanshyam Girdharbhai Trivedi	-	-
Mr. Tuljaram Maheshwari	-	-

Key Board Qualification:

The Company is in the business of manufacturing and trading of tiles, Sanitaryware and Bath Fittings and required various types of skills and expertise to run the business which includes the technical skills related to the business of the company or the skills and expertise which help the business to grow in the present market situation. The list of core skills/ expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively are as follows;

Strategy, Corporate Governance, Sales & Marketing, Communication, General management, Business Development, Corporate Laws, Laws relating to Commerce and Industry, Human Resource Management, Change Management, Women Empowerment and Capacity Building Experience, Financial Skills, Business Planning, Product Pricing, Operation, etc.

The Board Members have the skills and expertise as required to run the business in a way which benefit the stakeholders. The Board of the Company comprises of executive as well as Non-Executive Directors, Independent Directors (including woman director) who possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations and other disciplines related to the company's business.

In the table below, the specific areas of focus or expertise of individual Board Members have been highlighted. However, the absence of a mark against a Member's name does not necessarily mean the Member does not possess the corresponding qualification or skill.

Name of Directors	Area of Expertise							
	Financial	Sales & Marketing	Law	Management	Technology	Governance	Diversity	Research
Mr. Shreekant Somany	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Abhishek Somany	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Anjana Somany	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Salil Singhal	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Ravinder Nath	✓	✓	✓	✓	-	✓	✓	✓
Mr. Vineet Agarwal	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Siddharath Bindra	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Ghanshyam Girdharibhai Trivedi	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Rameshwar Singh Thakur	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Rumjhum Chatterjee	✓	✓	✓	✓	-	✓	✓	✓
Mr. Tuljaram Maheshwari	✓	✓	✓	✓	✓	✓	✓	✓

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 directors.

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 Regulations), 2015, the Board also undertakes the following:

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

MEETING OF THE BOARD OF DIRECTORS

There were Ten (10) Board meetings held during the year 2019-20 i.e. on April 30, May 21, June 17, August 2, August 22, October 1, October 17, November 6 in 2019 and on February 10, March 13 in 2020.

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 Regulations, 2015). A declaration to this effect, duly signed by Chairman and Managing Director 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. CHAIRMAN AND MANAGING DIRECTOR (CMD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The CMD and CFO of the Company have jointly issued a certificate pursuant to provisions of Regulation 17(8) of the SEBI (Listing Regulations, 2015), certifying

that the financial statements do not contain any materially untrue statement and those 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 March 31, 2020, the Audit Committee comprises of four 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). The Audit Committee was reconstituted w.e.f. May 1, 2019 by the Board of Directors in their meeting dated April 30, 2019, and Mr. Rameshwar Singh Thakur was appointed as the Chairman of the Committee and Mr. Vineet Agarwal was inducted as member of the Committee.

The Audit Committee was again reconstituted by the Board of Directors in their meeting held on November 6, 2019 upon resignation of Mr. Siddharath Bindra from membership of Audit Committee. Thus, the present constitution of the Audit Committee is Mr. Rameshwar Singh Thakur, Chairman of the Committee and Mr. Salil Singhal, Mr. Vineet Agarwal and Mr. Ghanshyam Girdharbhai Trivedi are other members of the Audit Committee.

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 Regulations, 2015) and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors.

Terms of Reference

Brief description of the terms of reference are:-

1. Effective supervision of the financial reporting process, ensuring financial and accounting controls and compliance with the policies of the Company,
2. Periodical interaction with the statutory and internal auditors to ascertain the quality and veracity of the Company's transactions,
3. 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,
4. Review of adequacy and effectiveness of Internal Audit Function and the Internal Control System,
5. Overall direction on the risk management system,

6. Review of the annual and quarterly financial statements with management before submission to the Board,
7. Compliance with listing and other legal requirements relating to financial statements,
8. Review related party transactions,
9. Review the functioning of Vigil Mechanism, qualifications in the audit report, if any,
10. 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, Managing Director, Chief Financial Officer and other departmental heads.

Frequency of Meetings

During the year 2019-20, five Audit Committee meetings were held on May 21, August 2, August 22, November 6 in 2019 and on February 10 in 2020.

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. Rameshwar Singh Thakur (Chairman)	5	5
Mr. Vineet Agarwal (Member)	5	5
Mr. Salil Singhal (Member)	5	4
Mr. Ghanshyam Girdharbhai Trivedi (Member)	5	5
Mr. Siddharath Bindra (Member)*	4	2

*Ceased to be a member of Audit Committee w.e.f. November 6, 2019.

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. Shreekanth Somany (who chairs the meeting), Mr. Abhishek Somany and Mr. Siddharath Bindra. The Committee met 13 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 7875 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 March 31, 2020.

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. Rameshwar Singh Thakur, Independent Director of the Company is the Chairman of the Committee and other members of the committee are Mr. Siddharath Bindra, Mr. Ghanshyam Girdharbhai Trivedi and Mr. Shreekant Somany. Mr. Ambrish Julka, General Manager (Legal) and Company Secretary of the Company is the Compliance Officer. Total Four meetings of this Committee were held during the year 2019-20, i.e. on May 21, August 2, November 6 in the year 2019 and on February 10 in the year 2020. During the year 10 complaints were received and resolved. There were no complaints of Shareholders pending as on March 31, 2020.

The attendance of the Stakeholders Relationship Committee is given below:

Name of Member Director	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. Rameshwar Singh Thakur (Chairman)	4	4
Mr. Siddharath Bindra (Member)	4	2
Mr. Ghanshyam Girdharbhai Trivedi (Member)	4	4
Mr. Shreekant Somany (Member)	4	4

NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee comprising of four Non-executive directors, of which more than half are Independent Directors. Mr. Salil Singhal, Non-executive Independent Director is the Chairman of the Committee. Mr. Siddharath Bindra, Non-executive Independent Director, Mr. Rameshwar Singh Thakur, Non-executive Independent Director and Mr. Ghanshyam Girdharbhai Trivedi, Non-executive Non-Independent Director are other members of the Committee.

During the year 2019-20, Three (3) Committee meetings were held i.e. on April 25, May 21 and August 2 in 2019.

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. Salil Singhal (Chairman)	3	2
Mr. Siddharath Bindra (Member)	3	1
Mr. Ghanshyam Girdharbhai Trivedi (Member)	3	3
Mr. Rameshwar Singh Thakur (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 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.

Such other matters as may be prescribed in the Nomination and Remuneration Policy of the Company from time to time.

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:

- Act objectively and constructively while exercising their duties;
- Exercise their responsibilities in a bonafide manner in the interest of the Company;
- Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- 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;
- Refrain from any action that would lead to loss of his independence;
- Inform the Board immediately when they lose their independence;
- Assist the Company in implementing the best corporate governance practices;
- Strive to attend all meetings of the Board of Directors;
- Strive to attend and participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- Strive to attend the general meetings of the Company;
- Keep themselves well informed about the Company and the external environment in which it operates;

- l) Do not 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 2019-20 are as follows:

Directors	Salary & perquisites (₹) **	Commission for 2018-19 (₹)	Sitting Fees (₹)	Total (₹)
Mr. Shreekant Somany*	2,99,60,428	45,80,413	-	3,45,40,841
Mr. Abhishek Somany*	3,32,70,371	-	-	3,32,70,371
Mrs. Anjana Somany*	26,88,236	-	-	26,88,236
Mr. R. K. Daga@	-	500,000	-	5,00,000
Dr. Y.K. Alagh@	-	500,000	-	5,00,000
Mr. Salil Singhal	-	500,000	1,45,000	6,45,000
Mr. Ravinder Nath	-	500,000	1,00,000	6,00,000
Mr. Siddharath Bindra	-	500,000	1,60,000	6,60,000
Mr. G. G. Trivedi	-	500,000	1,35,000	6,35,000
Mr. Rameshwar Singh Thakur\$	-	4,27,397	1,35,000	5,62,397
Mrs. Rumjhum Chatterjee\$	-	2,90,411	1,25,000	4,15,411
Mr. Vineet Agarwal#	-	-	1,20,000	1,20,000
Mr. Tuljaram Maheshwari#	-	-	90,000	90,000
Mr. G.L. Sultania^	-	73,973	-	73,973

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

**The remuneration includes Company's contribution to Provided Fund and leave encashment, 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 of the Company 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 August 30, 2018 to Non-Executive Directors of the

Company up to and for the Financial Year ended March 31, 2023.

@ Mr. R. K. Daga and Dr. Y. K. Alagh ceased to be the Independent Director of the Company w.e.f. April 1, 2019. The Commission was paid for the financial year 2018-19 during the FY 2019-20.

\$ Mr. Rameshwar Singh Thakur and Mrs. Rumjhum Chatterjee were appointed as Additional Directors on the Board w.e.f. May 24, 2018 and September 1, 2018 respectively, hence director commission was paid to proportionately from their respective appointment date.

Mr. Vineet Agarwal and Mr. Tuljaram Maheshwari were appointed as Additional Director(s) on the Board w.e.f. May 1, 2019.

^ Mr. G.L. Sultania resigned from the office of Non-Executive & Non-Independent Director w.e.f. May 24, 2018.

Apart from the above remuneration details no other kind of fixed components, performance link incentives are given to the Directors.

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 March 31, 2020, three Committee meetings were held i.e. on May 21 and August 2 in the year 2019 and March 13 in the year 2020, which were attended by the members as under:

Directors	Category	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. Abhishek Somany	Non-Independent Executive Director	3	3
Mr. Salil Singhal	Independent Director	3	3
Mr. Ravinder Nath	Independent Director	3	2
Mr. Siddharath Bindra	Independent Director	3	1

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 March 31, 2020, one Committee meeting was held on April 15, 2019 which was attended by the members as under:

Directors	Category	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. Shreekant Somany	Non-Independent Executive Director	1	1
Mr. Abhishek Somany	Non-Independent Executive Director	1	1
Mr. Salil Singhal	Independent Director	1	1
Mr. Siddharath Bindra	Independent Director	1	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 (Listing Regulations, 2015), a separate meeting of the Independent Directors of the Company was held on February 10, 2020 and attended by the Independent Directors except Mr. Ravinder Nath 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 Director. 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](https://www.somanyceramics.com/investor-relation/) at the weblink: <https://www.somanyceramics.com/investor-relation/>

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 judgement, 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](https://www.somanyceramics.com/pub/media/investorrelation/s/c/scLwhistle_blower_policy-revised.pdf) at the weblink: https://www.somanyceramics.com/pub/media/investorrelation/s/c/scLwhistle_blower_policy-revised.pdf

10. SUBSIDIARY COMPANIES

The Company does not have any material subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth of the holding company and its subsidiaries in the immediately preceding accounting 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](https://www.somanyceramics.com/pub/media/investorrelation/p/o/policy_on_material_subsidaries_revised__1.pdf) and at the web link i.e. https://www.somanyceramics.com/pub/media/investorrelation/p/o/policy_on_material_subsidaries_revised__1.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 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](https://www.somanyceramics.com/pub/media/investorrelation/p/o/policy_related_party_revised_2019.pdf) at the weblink i.e. https://www.somanyceramics.com/pub/media/investorrelation/p/o/policy_related_party_revised_2019.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 the last 3 years are as under:

Year	Date	Time	Annual General Meeting	Place of Meeting
2019-20	19.08.2019	11:30 A.M.	51 st Annual General Meeting	Sripati Singhania Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata- 700 020
2018-19	30.08.2018	11:00 A.M.	50 th Annual General Meeting	Sripati Singhania Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata- 700 020
2017-18	25.08.2017	10.30 A.M.	49 th Annual General Meeting	Lakshmi Pat Singhania Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110 016

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

Date of Meeting held	AGM/EOGM	Subject matter of the resolution
19.08.2019	AGM	<ul style="list-style-type: none"> • Re-appointment of Shri Salil Singhal (DIN: 00006629) as an Independent Director for his second term of five (5) consecutive years. • Re-appointment of Shri Ravinder Nath (DIN: 00062186) as an Independent Director for his second term of five (5) consecutive years. • Re-appointment of Shri Siddharath Bindra (DIN: 01680498) as an Independent Director for his second term of five (5) consecutive years. • Alteration in Article 148 of Articles of Association of the Company. • To approve continuation of payment of Remuneration to Shri Shreekant Somany (DIN: 00021423), Chairman and Managing Director, who is promoter, in excess of threshold limits as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. • To approve continuation of payment of Remuneration to Shri Abhishek Somany (DIN: 00021448) Managing Director, who is promoter, in excess of threshold limits as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. • To approve continuation of payment of Remuneration to Smt. Anjana Somany (DIN: 00133542), Whole-time Director, who is promoter in excess of threshold limits as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

30.08.2018	AGM	<ul style="list-style-type: none"> • Re-appointment of Smt. Anjana Somany (DIN: 00133542) as Key Managerial Personnel, designated as Whole-time Director for a further period of 3 (three) years, with effect from May 21, 2019 till May 20, 2022. • Remuneration by way of Commission to Non- Executive directors.
25.08.2017	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 September 1, 2017 till August 31, 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 June 1, 2018 till May 31, 2023.

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

14. 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 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 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.

15. 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 Sangbad Pratidin (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 Company i.e. www.somanyceramics.com at the web link at <https://www.somanyceramics.com/investor-relation>.

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

Registered Office:
2, Red Cross Place, Kolkata – 700 001
Phone: 033-22487406/5913,
Email: ambrish.julka@somanyceramics.com

Plant locations

- V & P.O Kassar, Bahadurgarh Distt. Jhajjar, Haryana - 124507
Phone: 01276-223300 Fax : 01276-241011
Email: saikat.mukhopadhyay@somanyceramics.com
- GIDC Industrial Area,
Distt. Mehsana, Kadi, Gujarat 382715
Ph : 02764-242153/54, Fax : 02764-263011

18. DATE AND VENUE OF ANNUAL GENERAL MEETING

The 52nd Annual General Meeting of the Company will be held on Tuesday, the August 18, 2020 at 12:00 Noon through Video Conferencing or Other Audio Visual Means.

19. FINANCIAL CALENDAR: APRIL 1 TO MARCH 31

Financial Reporting for 2020-2021 is as follows:

First Quarter : Second week of August, 2020
Second Quarter : Second week of November, 2020

Third Quarter : Third week of January, 2021
Fourth Quarter : Fourth week of May, 2021

20. BOOK CLOSURE DATE

August 11, 2020 to August 18, 2020 (both days inclusive)

21. DIVIDEND

During the year, the Company has declared interim dividend of ₹2 per equity shares of ₹2/- each for the year ended March 31, 2020.

The Board of Directors have declared payment of interim dividend of ₹2/- per equity share of ₹2/- as final dividend for the year ended March 31, 2020.

22. 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 2020-21.

National Stock Exchange of India Limited (NSE)
"Exchange Plaza",
Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051
Trading Symbol :- SOMANYCERA
BSE Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Scrip Code : 531548
Demat ISIN Number for NSDL and CDSL: INE 355A01028

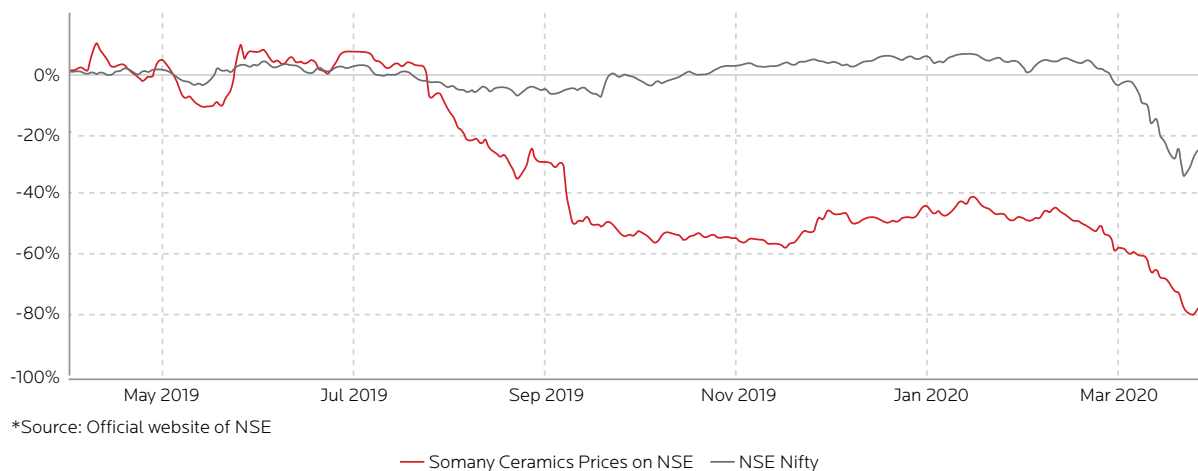
Market Price Data:

No. of Equity Shares	National Stock Exchange of India Limited*			BSE Limited*		
	High (₹)	Low (₹)	No. of Shares Traded	High (₹)	Low (₹)	No. of Shares Traded
Apr-19	471.65	393.10	7,86,035	472.00	395.60	33,547
May-19	462.75	360.05	13,80,862	459.95	361.00	1,99,020
Jun-19	450.00	405.70	5,85,504	449.00	405.30	50,963
Jul-19	453.85	347.10	4,01,812	453.00	347.20	18,297
Aug-19	361.95	251.75	3,20,552	357.60	254.00	29,450
Sep-19	292.65	185.00	44,30,794	295.00	185.10	3,23,591
Oct-19	205.00	174.00	12,83,071	207.00	174.50	50,819
Nov-19	234.35	170.35	28,33,180	234.80	171.55	1,30,500
Dec-19	232.50	199.95	16,91,079	232.00	199.50	68,395
Jan-20	252.50	207.95	19,25,617	252.85	208.00	86,632
Feb-20	230.20	164.20	15,25,991	230.05	165.20	36,979
Mar-20	179.35	76.85	16,79,343	179.15	77.00	82,234

*Source: Official website of BSE and NSE

PERFORMANCE IN COMPARISON TO BROAD BASED INDICES

Somany Ceramics Limited Price on NSE & NSE NIFTY



23. 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

24. SHARE TRANSFER SYSTEM

The Company's shares are traded on stock exchanges in compulsory demat mode. From April 1, 2019 SEBI has mandated that Shareholders holding shares in physical form and intend to transfer their shares, can do so only in dematerialized form. Therefore Members holding shares in physical form were informed vide letter/e-mail to consider converting their shares in dematerialized form. In the case of transmission, the shares lodged with the physical shares lodged with the Company /RTA with valid documents are transmitted and share certificate are returned in physical form within time prescribed under SEBI Regulations.

25. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2020

No. of Equity Shares	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1 to 500	12583	89.29	1024660	2.42
501 to 1000	707	5.02	558710	1.32
1001 to 2000	331	2.35	507751	1.20
2001 to 3000	121	0.86	304018	0.72
3001 to 4000	64	0.45	232326	0.55
4001 to 5000	58	0.41	272235	0.64
5001 to 10000	110	0.78	787902	1.86
10001 and Above	119	0.84	38691824	91.30
Total	14093	100.00	4,23,79,426	100.00

Categories of Shareholding as on March 31, 2020.

Category	Number of Shares	Percent
Indian Promoters	21810767	51.47
Mutual Funds & UTI, Alternate Investment Funds	7727063	18.24
Banks, Financial Institutions, Insurance	614385	1.45
Companies		
NBFCs Registered with RBI	0	0.00
Foreign Portfolio Investors	899228	2.12
Foreign Portfolio Investors (Individual)	10,000	0.02
Foreign Institutional Investors	-	-
Corporate Bodies	1292310	3.05
Indian Public	8225929	19.41
NRIs/Foreign Companies	1234857	2.91
Investor Education and Protection Fund Authority	161324	0.38
Trusts	0	0.00
Clearing Members	403563	0.95
Total	4,23,79,426	100.00

26. 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 17,01,979 (4.01%) and in NSDL are 4,03,95,077 (95.32%) representing 4,20,97,056 (99.33%) Equity shares of the paid-up capital of the Company as on March 31, 2020. The total shares held in physical form are 2,82,370 (0.67%).

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

During the year 2019-20, there were no outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date, which would have an impact

on the equity of the Company.

28. STOCK OPTIONS

The Company has not issued any stock option.

29. COMMODITY PRICE/FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

During the year 2019-20, there are no significant commodity price risk, further necessary steps are being taken to minimize foreign exchange risks.

30. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Mr. Pradeep Pincha of Pincha & Co., Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/ Ministry of Corporate Affairs or such any other authority. This certificate is enclosed as Annexure – A.

31. CONTACT FOR CLARIFICATION ON FINANCIAL STATEMENTS:

Individuals may contact

Mr. Saikat Mukhopadhyay, Chief Financial Officer at: F-36, Sector-6, Noida – 201301, Uttar Pradesh. Phone: 0120 - 4627900

Email: saikat.mukhopadhyay@somanyceramics.com

Shareholder's Enquiries: Individuals may contact

Mr. Shyamalendu Banerjee at:

2, Red Cross Place, Kolkata – 700 001

Phone : 033-22487406/ 5913

Email : sclinvestors@somanyceramics.com

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@somanyceramics.com

32. CREDIT RATINGS

The Company has maintained the rating from CRISIL for Bank Loan and from ICRA for Commercial Paper during the year 2019-20 as under:-

Rating Agency	Rating	
CRISIL	Long-term Rating	AA-
	Short-term Rating	A1+
ICRA	Commercial Paper	A1+

33. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS UNDER THE LISTING REGULATIONS

During the year, the Company has complied with the mandatory requirements as stipulated in the Listed Regulations.

With respect to the Compliance with the non-mandatory requirements pursuant to Regulation 27(1) of the SEBI Listing Regulations, the Company has adopted the following non-mandatory requirements:

- During the year under review, there is no audit qualification on the company's Financial Statements.
- The Internal Auditor can report directly to the Audit Committee.

34. Details pertaining to utilization of funds

Out of ₹11,999.97 Lakhs raised through qualified institutions placement of equity shares in December, 2015, the Company has so far utilized ₹7170.66 Lakhs (including issue expenses of ₹307.34 Lakhs) for the purpose the funds were so raised and balance ₹4829.31 Lakhs has been temporarily invested mainly in the debt instruments/funds.

OTHER DISCLOSURES

The Company has paid a total fee of ₹ 19.65 Lakhs during the year under review to M/s. Singhi & Co., the Statutory Auditors of the Company. None of the subsidiary of the Company or other entities forming part of the same network availed services of the said Auditors during the year under review.

There was no any recommendation of any committee of the Board, which had not been accepted by the Board of Directors during the year under review.

35. Complaints Pertaining to Sexual Harassment

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year.	Nil

36. PARTICULARS IN RESPECT OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ENSUING 52ND ANNUAL GENERAL MEETING OF THE COMPANY, PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING REGULATIONS, 2015).

Mr. Shreekant Somany

Aged about 72 years, Mr. Somany (DIN: 00021423) is a graduate and holds Bachelor degree in Science. He has over four decades of rich experience in Ceramics Tiles, Sanitary-ware and Glass industry. He is on the Board of the Company since September 1, 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	SR Continental Limited	Director	-	-	-
2	Shree Cement Limited	Director	Member	Member	
3	Somany Bathware Limited (formerly known as Somany Global Limited)	Director	-	-	-
4	JK Tyre & Industries Limited.	Director	Member	-	Member

For and on behalf of the Board
For Somany Ceramics Limited

Shreekant Somany
Chairman and Managing Director
DIN No.: 00021423

37. 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 March 31, 2020.

Shreekant Somany
Chairman and Managing Director

Place : Noida
Date: June 25, 2020

38. CMD/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 March 31, 2020 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

Shreekant Somany
Chairman and Managing Director
DIN: 00021423

Saikat Mukhopadhyaya
Chief Financial Officer

Place: Noida
Date: June 25, 2020