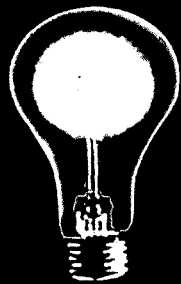


SOMANY

Sustainable Growth

through Value Additions



Innovation



Credibility



Quality



Speed



Annual Report
2008-09

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Board of Directors



Shreekant Somany
Chairman & Managing Director



Abhishek Somany
Joint Managing Director



G.G. Trivedi
Executive Director
(Upto 20.05.2009)



G. L. Sultania



R.L. Gaggar



R.K. Daga



Salil Singhal



Ravinder Nath



Sunil Trikha
Nominee Director

COMPANY SECRETARY

Samir Raheja

MANAGEMENT TEAM

A.K. Beejawat, President
R.K. Lakhota, Vice President (Finance)
Ketan Dave, Vice President (Technical)
T.K. Jena, Vice President (Sales & Marketing)
R.P. Mittal, Vice President (Corporate Affairs)
L. Sundar Rajan, Vice President (Commercial)

BANKERS

Punjab National Bank Limited
IDBI Bank Limited

AUDITORS

Lodha & Company

REGISTERED OFFICE

82/19, Bhakerwara Road, Mundka
New Delhi-110041
e-mail: marketing@somanyceramics.com

WEBSITE

www.somanyceramics.com



CMD'S SPEECH

The year gone by has been eventful as the world has not seen such swings financially, with major economies of the world facing recession which has been closely compared to the great depression of 1930. It is true that countries like USA, Japan and Europe have suffered and continue to suffer from economic downturn, which has also effected India. It is great pleasure to inform that despite these turbulent times the Company has reached another milestone and registered a very high growth. Thanks to the innovative approach and the dynamic team of professionals.

On the whole I feel confident that the Company is better positioned than before in terms of product, services and growth. The continued efforts have resulted in upswing in the Company's growth and revenues and enabled it to regain its leadership in the market. The Company has posted a consolidated sales of Rs. 4670 million for the financial year ended 31st March, 2009, Net Profit reflected a 128 per cent growth-rising from Rs. 38.34. million in 2007-08 to Rs 87.60 million in FY 2008-09. The Company, on a consolidated basis, had accumulated reserves and surplus to the tune of Rs. 579.30 million.

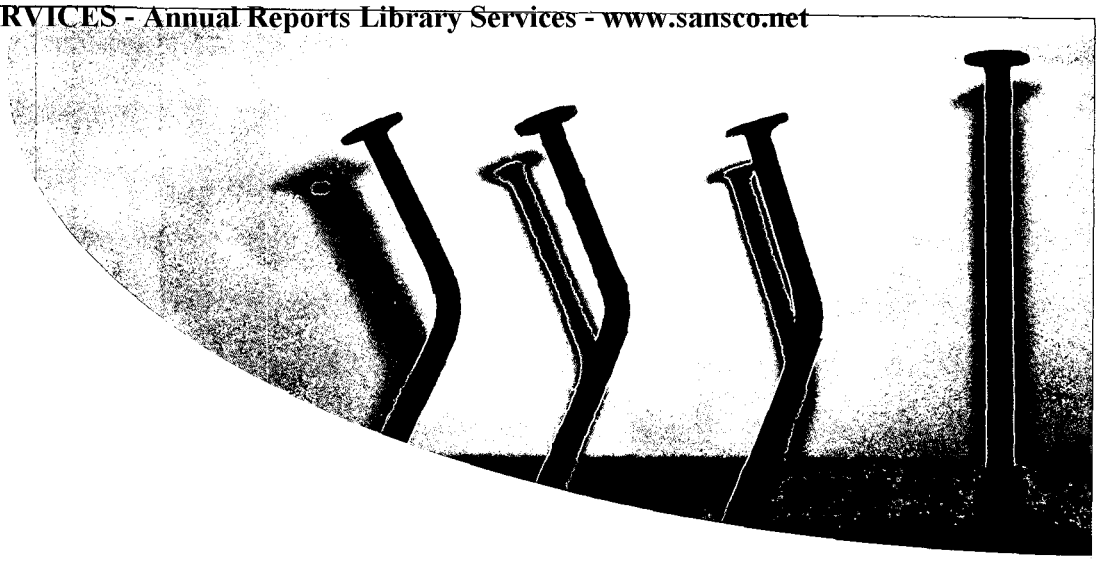
Focusing on R&D and marketing capabilities have always been a priority for the Company. The untiring efforts of R&D has been rewarded with a grant of first and only one of it's kind Patent for a high abrasion resistant glaze and application process which we call, "VEILCRAFT TECHNOLOGY" (popularly known as VC Shield). This makes your Company unique in the Industry and will definitely go a long way in increasing the marketability of its products.

The expansion carried out at Kassar unit of the Company in 2007 has been successfully producing large format tiles. In order to meet the challenges of consumer demand and market dynamics, your Company has begun outsourcing the products, from carefully selected quality manufacturers. Meticulous quality control supervision is exercised directly by the Company personnel at the manufacturers' locations and need based technical assistance is provided as well.

As part of CSR activity your Company, has set up training schools both at Kassar and Kadi to train masons, equipping them with improved skills and capabilities for their livelihood and development.

I wish that the Company's strong foundation and present strategy will enable it to capitalize on the significant untapped potential and bring in substantial revenues and returns for your Company.

Shreekant Somany
Chairman & Managing Director

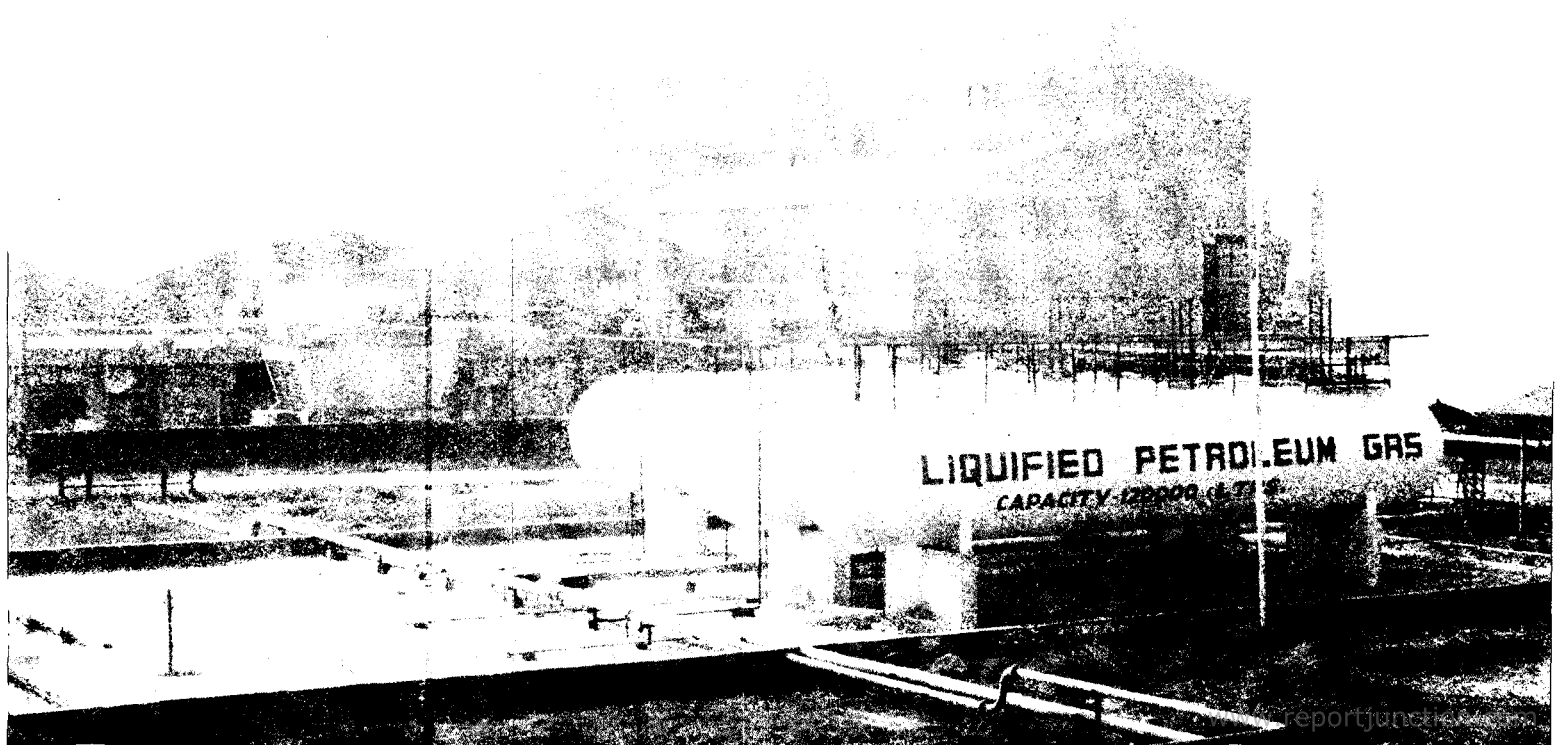


A trendsetter in every way

Setting benchmarks and creating trends have always been a driving force for Somany Ceramics Ltd.

In the Indian ceramic industry, Somany has achieved a clear leadership position by wholeheartedly adopting an innovative and futuristic approach, whether it is ceramic glazed tiles, vitrified tiles,

sanitaryware or porcelain floor tiles, Somany prides itself in being at the very forefront of style and quality. From raw material imported from Italy and Spain, to the constant endeavour to be the first to introduce new products in India, Somany has been, and always will strive to be a dynamic leader in its field.



lead



It began as a vision of things to come, and is today a trail-blazer that others follow.

In 1969 Shri H L Soman

incorporated a company called

Soman Pilkington's, which later

became Soman Ceramics Ltd. It

was the power of a dream and the

zeal to excel, that drove Shri H L

Soman to forge a path of

unparalleled success for this

company.

The guiding vision for the company still retains the essence that brought it into existence, that of

becoming the "Most sought after

tile and allied product in India and

be the best employer in the tile

industry". Soman's mission clearly

enunciates its key focus -

"Achieving customer delight

through business innovation and

Cost effectiveness while pursuing

latest fashion trends in ceramics &

allied products for creating

stakeholders values". The core

values that drive the organisation

are 'Integrity', being

'System/Process driven',

'commitment to 'Stakeholders -

Value creation', a strong 'People

Orientation' and 'Responsiveness'.

In 1971 the first unit of Soman

started production in Kassar,

Haryana. Since then Soman has

reached and surpassed many

milestones - setting-up the second

unit in 1981, buyout of all equity

shares of Soman Pilkington by the

Indian promoters in 1994,

achieving Government recognition

for its R&D in 1996 (a first in the

Indian tiles industry), getting ISO

9002 certification in 1998,

achieving ISO 14001 for

environment friendly facilities, in

1999, opening of retail showrooms

under the name of 'Soman Retail

Ltd.', and started a joint venture

with Keraben, Spain under the

brand name 'Synergy' in 2007. The

drive to ensure freshness in its

entire business process is

demonstrated by the average age

of plant and machinery of Soman,

which is currently just 9.5 years.

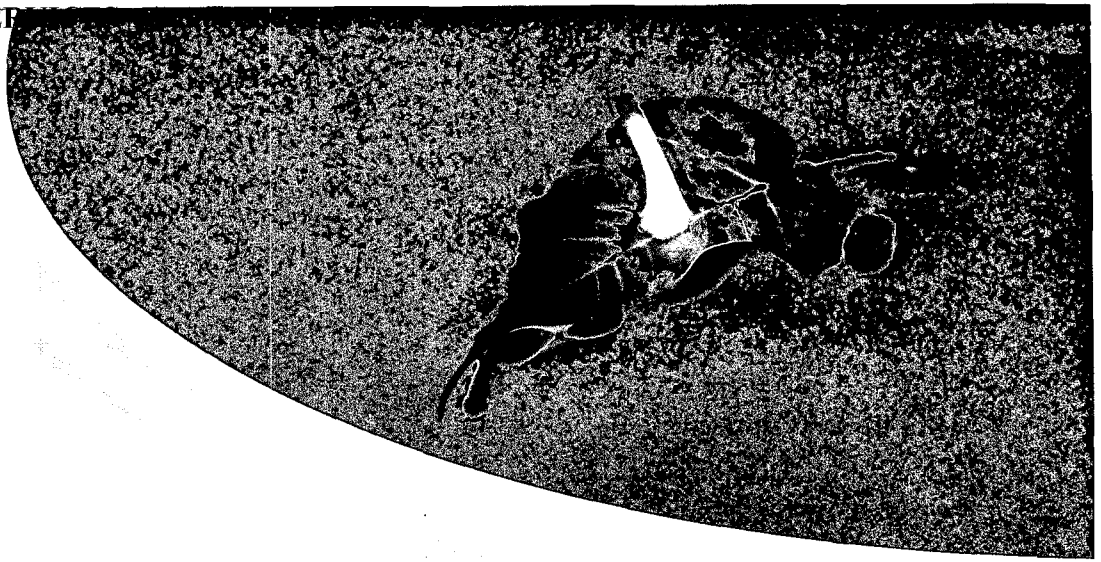
Upgradation and expansion have

played a key role in making

Soman a leader with a distinct

edge in trend-setting style and

world-class quality.



Source of inspiration and constant guidance - Shri H. L. Somany

Shri Hira Lal Somany was born in 1920. He jumped into the family business at Kolkata Stock Exchange in 1936 when he was just 16 and set about gradually converting the business into an industry.

Shri HL Somany is the founder of Somany Ceramics Limited (formerly known as SPL LIMITED), and established this organization in 1970 in collaboration with Pilkington's Tiles Ltd of UK.

In 1944, he established Somany Glass Works Ltd. And in 1951, he started an automatic Glass Plant and also took over the management of Simplex Mills in Mumbai. 1960 was another watershed year. That year, he established Sanitaryware manufacturing plant at Bahadurgarh in Haryana, now known as Hindustan Sanitaryware and Industries Ltd. He also established Hindustan National Glass & Industries Ltd, and started a textile unit by the name of Soma

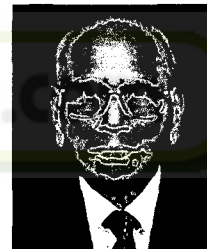
Textiles & Industries Ltd in the same year.

Shri HL Somany has had the distinction of leading many high level business delegations to Singapore, Thailand, Hong Kong, Manila, Australia, Indonesia, East Africa, Middle East, Iraq, Iran etc.

He has served as President of Assocham in 1996-1997, besides holding the position of President of Merchant Chambers of Commerce in 1980-1981.

That's not all. Shri Somany also served as the Chairman of Capexil, an export promotion organization. He has also been very closely associated with various other forums including Sangeet Kala Mandir (a musical hub of Kolkata) and SAMAGAM (a musical hub of Delhi).

He is the founder of Schablona India Limited, and keeps himself abreast with its day-to-day operations.



Somany Global - A Snapshot

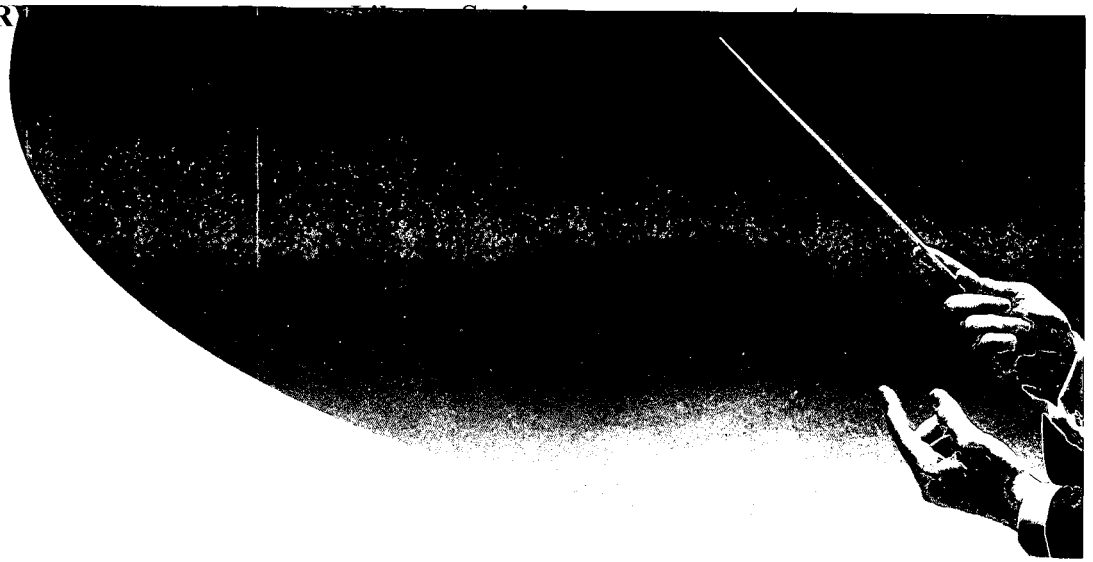
Focusing at the broad spectrum of discerning fashion conscious customers, Somany offers a huge assortment of imported tiles at Somany Global, an exclusive imported tile showroom. This store is a unique concept in Tile Industry in India where world's best brands are exhibited. Here we inculcate the idea of concept retailing wherein we are not just offering you the tiles but the concept as a whole that will reinforce your creative desire. Best interiors, flawless architecture, huge assortment of wide picked products and above all the pleasant services and designing assistance offered by us will help you to blossom your dream home by choosing the patterns out of the countless choices.

Presently located in New Delhi, Mumbai, Gurgaon, Ludhiana, Pune and Indore, Furthermore, a network expansion plan in other leading centers all across the nation is in the pipeline. These showrooms cater to high end customers and offer imported products from Italy and Spain. A large network of Somany display centers are also spread across India including Bangalore, Cochin, Bhuvneshwar, Kolkata, Ahmedabad, Pune and Surat.



Milestones that shaped Somany Ceramics Ltd

1968	Inception by Shri Hira Lal Somany (Founder & Chairman)
1971	Technical collaboration with Pilkington's Tile Holdings, UK and the first unit at Kassar, Haryana started commercial production
1981	Second unit was set up in Gujarat to meet the ever growing demand of Somany Tiles in South & West region
1992	A new line was set up at Floor Tile plant in Kassar with a capacity of 3500 sqm/day
1994	Indian promoters bought over all the equity shares held by Pilkington
1995	Floor tile capacity was enhanced in Kassar by 3500 sqm/day by installation of a new line and a DFF (Double Fast Firing) plant was set up at the Wall Tile plant in Kassar with a capacity of 6000 sqm/day
1996	R&D department of SPL received Government recognition - the first in the tile industry in India to achieve this
1996	Wall Tile DFF (Double Fast Firing) plant was set up in Kadi with a capacity of 6000 sqm/day
1998	Received ISO 9002 certification for its manufacturing facilities
1998	FTP capacity in Kassar was again enhanced by 4000 sqm/day by installation of a new line
1999	Received ISO 14001 certification for its environment friendly manufacturing facilities
2001	A new Floor Tile Plant was set up at Kadi with a capacity of 6000 sqm/day
2002	Wall tile SFF (Single Fast Firing) plant with a capacity of 6000 sqm/day was set up at Kassar & a new FTP line was installed in Kadi with a capacity of 6000 sqm/day
2007	Name of the company changed from SPL to Somany Ceramics Ltd
2007	New Floor tile plant was set up at Kassar with a capacity of 7500 sqm/day
2007	Company ventured into the business of Sanitaryware
2007	Ventured into retailing
2007	Joint Venture with Keraben, Spain under brand name 'Synergy'
2009	Got patent for VC shield



Leading from the front

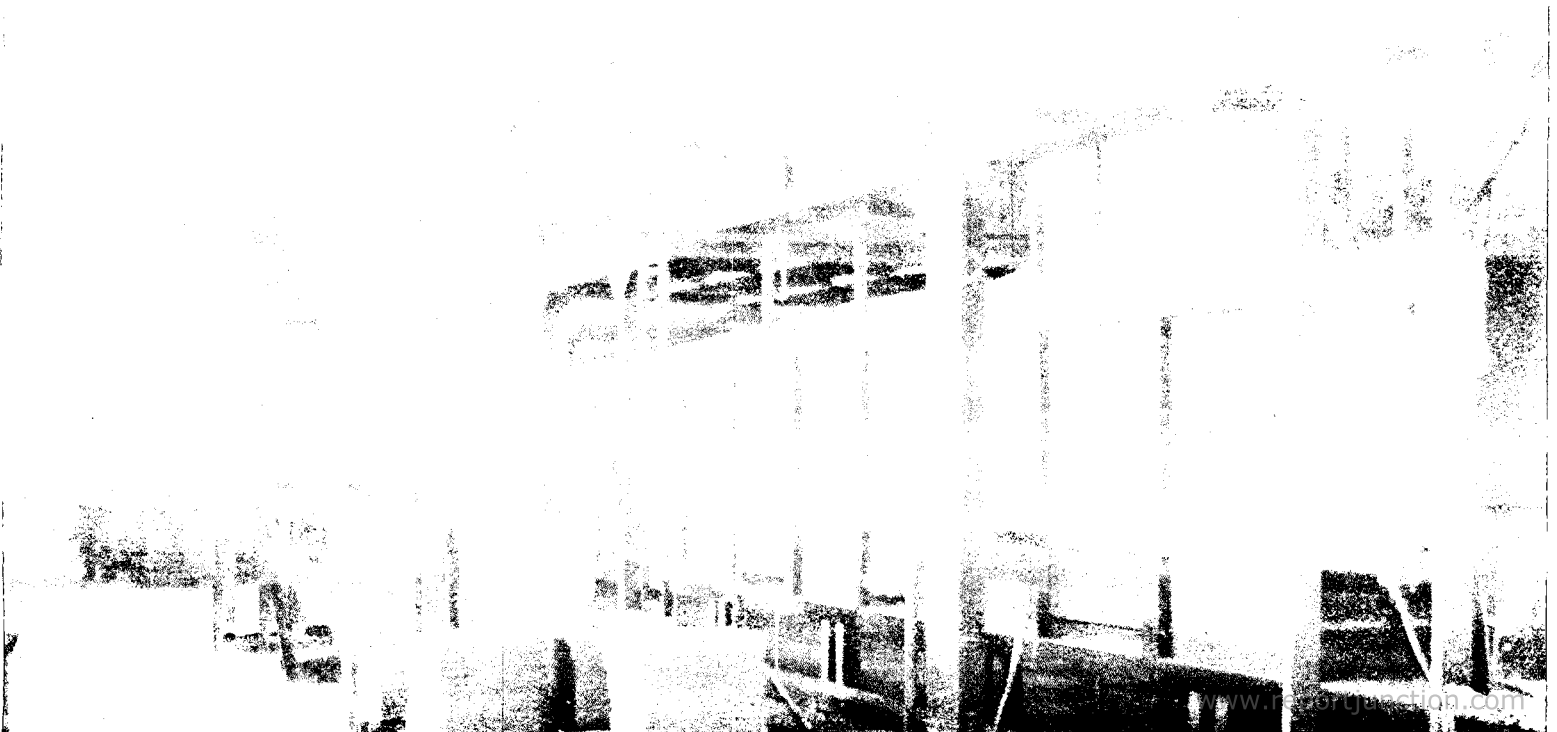


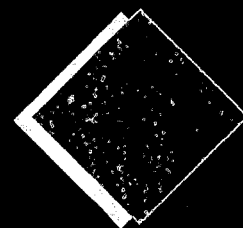
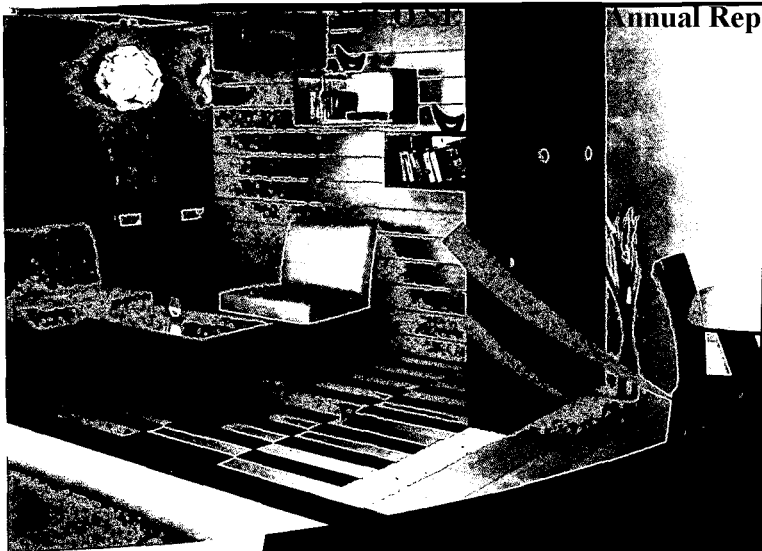
Shri Shreekant Somany

The dynamic leadership team in Somany not only spans three generations of able leaders, but it also brings together their wide experience and wisdom. With Shri H L Somany at the helm as Founder, Shri Shreekant Somany as the CMD and Shri Abhishek Somany as the JMD, the company is heading towards an exciting phase of expansion and growth. This core leadership team along with a large team of highly dedicated and talented people is continuously working towards creating more value for all stakeholders. Their commitment to excel in every sphere and to fuel growth in the core as well as new sectors have truly created powerful vitality within the company, both in mind and spirit.



Shri Abhishek Somany





Products that set the standards

A wide and cutting-edge array of designs and material make up the inspiring Somany range of tiles. Somany strives to bring its customers state-of-the-art floor, wall, vitrified, ceramic, porcelain and imported tiles. Somany prides itself in the sheer variety of design and finish, and constantly endeavours to bring new and trend-setting ideas into the tile industry. The futuristic VC Shield range of tiles from Somany, are the world's most durable floor tiles. Created using the breakthrough, Veilcraft Technology that creates a special layer on the tiles and keeps them free from abrasion, scratches and stains, these tiles retain the original glaze and finish for years.

These tiles comprehensively outperform ordinary ceramic tiles including PEI grade 5 tiles.

Venturing into the burgeoning sanitaryware sector, Somany has already made major in-roads into this market with its range of high quality products and offerings. Somany is focusing on creating a niche for itself in this sector, by bringing in and adopting the latest in design, concept and technology.

In the endeavour to bring the very best to customers, Somany sources its raw materials from as far as Italy, Spain, and China besides Rajasthan, Uttar Pradesh, Madhya Pradesh and other major centres in the country.

