



**WHAT'S VH1 GOT TO DO WITH FACEBOOK GOT TO DO WITH IPAD GOT TO
DO WITH YOUTUBE GOT TO DO WITH GOOGLE CHROME GOT TO DO WITH
SOMANY CERAMICS?**



SOMANY CERAMICS LIMITED | ANNUAL REPORT 2010-11

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YOUTHFULNESS!



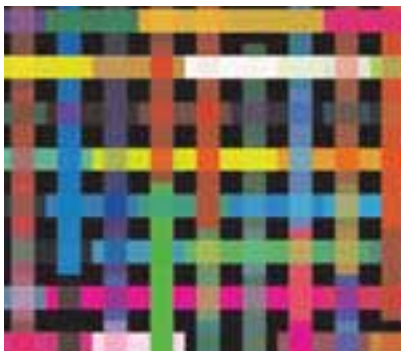
CORPORATE IDENTITY

IF IT IS TRENDY, IT MUST BE SOMANY CERAMICS.

IF IT IS INNOVATIVE, IT MUST BE SOMANY CERAMICS.

IF IT IS EXCELLENT PRICE-VALUE, IT MUST BE SOMANY CERAMICS.

Not surprisingly, Somany Ceramics is not just among the oldest (largest and fastest-growing) ceramic tile manufacturers in India. But also the youngest.



Origin: The Company (part of the HL Somany Group) is a prominent player in the Indian ceramic tile industry. Incorporated in 1968 as Somany Pilkington in collaboration with UK-based Pilkington Tiles, the Company changed its name to Somany Ceramics Limited in 2007.

Presence: The Company is headquartered in New Delhi and its equity shares are listed on the Bombay Stock Exchange and the National Stock Exchange (market capitalisation of ₹ 140 crores as on 31st March, 2011)

Product basket: The Company's product basket comprises a wide range of wall and floor tiles, imported tiles, sanitaryware products, bathroom fittings and faucets in varied colours and designs.



Manufacturing units: The Company's two manufacturing units (in Kadi, Gujarat, and Kassar, Haryana) possess a combined annual tile making capacity of 19.15 mn sqm



Market position: The Indian ceramic tile industry is highly fragmented (branded market around 50%). The Company emerged as the second-largest tile manufacture in the Indian ceramic tile industry in terms of capacity with a share of about 11% of the branded market in 2010-11.



Market reach: The Company's products are marketed across India through an extensive distribution network of dealers, sub-dealers, showrooms and sales to brand-enhancing corporates like L&T, Shapoorji Pallonji, Adani Infrastructure, DLF and Unitech, among others.



Certifications: The Company's production facilities are ISO 9001:2008-certified. The Kadi unit is accredited with the ISO 14001 certification for environment-friendly manufacture. Both units were awarded the 5S certification.

GROWTH IN NUMBERS [FIVE YEARS' CAGR]

Revenue growth	
25.43%	
2005-06	2010-11
₹ 228.86 crores	₹ 710.58 crores

EBIDTA growth	
18.96%	
2005-06	2010-11
₹ 28.93 crores	₹ 68.92 crores

Cash profit growth	
24.04%	
2005-06	2010-11
₹ 14.70 crores	₹ 43.15 crores

PAT growth	
49.89%	
2005-06	2010-11
₹ 3.10 crores	₹ 23.43 crores

PBT margin growth	
26.36%	
2005-06	2010-11
1.47%	4.74%

Net margin growth	
19.50%	
2005-06	2010-11
1.35%	3.30%

RONW growth	
32.08%	
2005-06	2010-11
6.32%	25.42%

ROCE growth	
15.15%	
2005-06	2010-11
8.65%	17.52%

MILESTONES

- 1968**
Incorporated as Somany Pilkington's Ltd, in collaboration with the UK-based Pilkington Tiles
- 1971**
Started production from the first unit in Kassar, Haryana
- 1981**
Started production from the second unit in Kadi, Gujarat
- 1996**
Received government recognition for R&D facility (a first in the tiles industry)
- 1999**
Accredited with ISO 14001 for environment-friendly manufacturing for Kadi unit
- 2007**
 - Changed the name of the Company to Somany Ceramics Limited and ventured into retailing
 - Ventured into the sanitaryware space under the brand name of 'Somany Aquaware'
- 2009**
Received patent for its product -VC shield (India's highest abrasion-resistant tiles)
- 2010**
 - Purchased 15-acre land near the existing Kadi unit (near Ahmedabad) for future expansions/diversification
 - Widened the Aquaware segment by adding bathroom fitting products
- 2011**
 - Received BIS certification for its products, the only Indian company to receive the certification
 - Received the prestigious Power Brand award
 - Re-branded the Company with a changed logo

KEY FINANCIAL HIGHLIGHTS, 2010-11

Earnings per share (Face Value ₹ 2 each) (₹)

As on 31st March,

2007	0.73
2008	1.18
2009	2.53
2010	5.93
2011	6.79

Net sales (₹ crores)

2006-07	275.83
2007-08	329.36
2008-09	442.09
2009-10	536.94
2010-11	710.58

Book value (Face Value ₹ 2 each) (₹)

2006-07	15.37
2007-08	16.32
2008-09	18.50
2009-10	23.73
2010-11	29.70

EBIDTA (₹ crores)

2006-07	31.19
2007-08	37.86
2008-09	43.54
2009-10	58.32
2010-11	68.92

Net worth (₹ crores)

2006-07	53.03
2007-08	56.29
2008-09	63.82
2009-10	81.85
2010-11	102.47

Profit after tax (₹ crores)

2006-07	2.52
2007-08	4.06
2008-09	8.74
2009-10	20.46
2010-11	23.43

Gross block (including Capital Work-in-Progress) (₹ crores)

2006-07	257.05
2007-08	277.96
2008-09	277.89
2009-10	314.54
2010-11	352.74

Cash profit (₹ crores)

2006-07	16.89
2007-08	20.44
2008-09	22.76
2009-10	32.94
2010-11	43.15



'I AM YOUNG. I BUY PRODUCTS THAT REFLECT MY MINDSET.'



Guess, what happened when we entered our 40th year. We got younger! Just how do you make a five-decade company relevant to thirty-year olds fitting their first home? Simple.

By getting to their age and mindset.

Somany Ceramics did precisely this through the following initiatives in 2010-11:

- It re-branded: The Company unveiled a new logo to reflect a more vibrant and exciting personality in line with the changing profile of the Indian consumer
- It invested: The Company invested ₹ 14.12 crores in advertising and sales promotion to strengthen its consumer-connect
- It analysed: The Company began to map its showroom preferences to gauge emerging trends
- It went closer: The Company opened 25 more Somany Global stores, Somany exclusive stores and Somany studios across India and appointed 209 new dealers
- It re-classified: The Company marketed medium-end and high-end tiles under the Somany brand and sub-brands (VC, Durastone, Duragres and Somany Vitro); the high-end sanitaryware marketed as Somany Signature, while the mass marketing products were marketed as Somany Express
- It excelled: The Company was recognised as a Power Brand for its perception, performance and brand recall.



'I HAVE DIVERSE INTERESTS. I BUY BRANDS THAT PROVIDE ME WITH CHOICE.'

