

SHIFTING GEARS

Forward-looking Statement

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks/uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include input costs and/or its availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.

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Shifting gears

At Somany Ceramics Limited, there are three big messages coming out of our performance in 2020-21.

One, we have zero net debt on our books.

Two, we completed the year under review with the largest cash surplus since our existence.

Three, we are presently engaged in our largest capacity expansion.

When you put these realities together, you get the makings of a new Somany Ceramics that is likely to move faster, emerge bigger and become more profitable.

Somany Ceramics Limited.

A brand for tiles and
bathware recalled around
the word 'premium'.

A company widening its
presence across India so
that a Somany retailer is
never far away.

A company transforming its financial structure to emerge cash-rich and debt-free.

A company positioned to grow faster and more sustainably across the foreseeable future.



Vision: Most sought-after tile and allied product company in India and be the best employer in the tile industry.



Mission: Achieving customer delight through business innovation and cost-effectiveness while pursuing latest fashion trends in ceramics and allied products for creating stakeholder value.



Background

Somany Ceramics Limited embarked on its journey in 1971, spearheaded by the late Mr. H. L. Somany. Over the last five decades, the Company has emerged as a leading company in the Indian ceramic tiles industry for its ability to evolve with changing consumer preferences.



Employees

The Company was empowered by a strong workforce of 1934 permanent employees and 1077 contractual workers as on 31st March, 2021.



Listing

Somany Ceramics is listed on BSE Limited and National Stock Exchange of India Limited. The Company's market capitalisation was ₹1,80,303 Lakhs as on 31st March 2021.



Manufacturing plants

The Company's 11 state-of-the-art manufacturing plants across the entire country possess an aggregate capacity of ~53 million square metres of tiles, 1.15 million pieces of sanitaryware and 0.65 million pieces of bath fittings per annum.



Brand

The Company markets the following brands of tiles and bathware products:

- Somany Duragress
- Somany Durastone
- Somany Glostra
- Somany Vistoso
- Somany Vitro
- Somany Slipshield
- Somany VC Shield
- Somany Signature
- Somany French Collection



Products

The Company offers a diversified product portfolio ranging from ceramic wall and floor tiles, polished vitrified tiles and glazed vitrified tiles to sanitaryware and bath fittings. Somany possesses one of the largest design archives of tiles in the country.



Network

The Company has a robust distribution network of around 10,000 touchpoints comprising more than 3,000 dealers and 383 showrooms. This makes it possible for the Company's products to be marketed across the country and a significant part of the world.

Tiles	Company	Stake	Unit	Annual capacity (in million sq metres)
		100%	Kassar, Haryana	19.63
		100%	Kadi, Gujarat	6.65
	Subsidiary/associates	60%	Sudha Somany Ceramics Pvt. Ltd.	3.48
		51%	Amora Tiles Pvt. Ltd.	4.58
		51%	Somany Fine Vitrified Pvt. Ltd.	4.29
		51%	Amora Ceramics Pvt. Ltd.	3.30
		50%	Vintage Tiles Pvt. Ltd.	4.80
		26%	Acer Granito Pvt. Ltd.	3.30
		26%	Vicon Ceramics Pvt. Ltd.	2.64
	Outsourced capacity			~10
Bathware	Subsidiary	51%	Somany Sanitary Ware Pvt. Ltd.	1.15 million pcs
		51%	Somany Bath Fittings Pvt. Ltd.	0.65 million pcs



Milestones

1968

Incepted by the late Mr Hira Lal Somany.



1971

Somany Pilkington Limited established its first manufacturing unit in Kassar, Haryana, in collaboration with Pilkington Tile Holding (UK), and started commercial production in November 1971 with an annual manufacturing capacity of 0.51 million square metres.



1981

The Company established its manufacturing plant in Kadi, Gujarat.



1994

The Indian promoters acquired shareholding by Pilkington in the Company.

1995

The Company installed a new production line at Kassar, which increased manufacturing capacity by 6000 square metres per day.



1996

The Company received the Government's recognition for its R&D facility, a first in India's tile industry.



1998

The Company received ISO Certification for Quality Management System.



2000

The Company started importing tiles from the best players in Europe under the brand of Somany Global.



2001

The Company set up a new floor tiles manufacturing unit plant at Kadi with a capacity of 6000 square metres per day.



2007

The management changed the name of the Company to Somany Ceramics Ltd.; ventured into sanitaryware space.

2009

The Company received a patent for its VC Shield product, India's highest abrasion-resistant tiles, a first in the Indian tile industry. Started 'Tile Master' program to uplift the livelihood of masons.

2010

The Company commissioned first GVT manufacturing facility; widened the Bathware vertical by adding bathfitting products.

2011

The Company re-branded itself with a changed logo; it received prestigious the Power Brand award for its perception, performance and brand recall.

2012

The Company launched the Duragress range of products; received the Indian Power Brands Award second time in a row.

2014

The Company acquired a subsidiary and started manufacturing sanitaryware in its facility; it received the Corporate Technical Achievement Award from American Ceramic Society (ACerS) for VC Shield.

2017

The Company launched a television campaign to reinforce brand visibility across the digital, radio and print media.

2018

The Company acquired a subsidiary and started manufacturing bath-fittings.

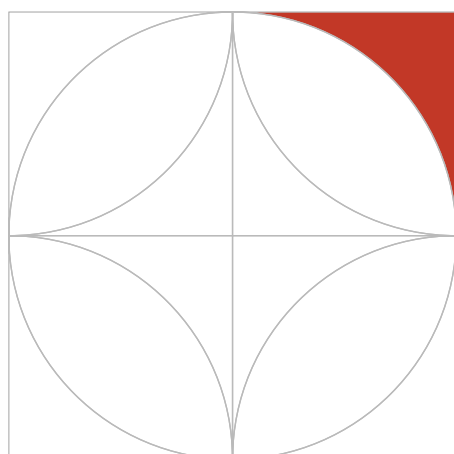
2019

The Company commissioned its first manufacturing facility in South India; Salman Khan became the Brand Ambassador; ventured into the business of water heaters.

2020

The Company became net debt-free.

How Somany's performance strengthened each quarter in 2020-21



The financial health of our business

Revenues (₹ Lakhs)

Quarter one	Quarter two	Quarter three	Quarter four
16900	42300	49000	56200

EBITDA (₹ Lakhs)

Quarter one	Quarter two	Quarter three	Quarter four
(1200)	4900	6300	9000

Profit after tax (₹ Lakhs)

Quarter one	Quarter two	Quarter three	Quarter four
(2600)	2100	3100	3500

Cash profit (₹ Lakhs)

Quarter one	Quarter two	Quarter three	Quarter four
(1187)	3633	4647	5168

The financial hygiene of our business

EBITDA margin (%)

Quarter one	Quarter two	Quarter three	Quarter four
(6.9)	11.7	12.9	16.0

Interest cover (x)

Quarter one	Quarter two	Quarter three	Quarter four
(0.84)	5.62	7.08	8.00

Interest outflow (₹ Lakhs)

Quarter one	Quarter two	Quarter three	Quarter four
1153	982	941	934