



YOUNG *a* 50

Somany Ceramics Limited | Integrated Annual Report 2021-22

Contents

Part 1: Company overview	42 Board of Directors	65 How Somany strengthened its IT framework	80 Management discussion and analysis
04 Corporate snapshot	Part 3: Approach to value creation	66 Our R&D competence	Part 5: Statutory and financial reports
10 Products overview	45 Our value-creation model	67 Somany's Natural Capital	91 Board's Report
16 How we have grown over the years	Part 4: Performance of our capitals and MD&A	71 How Somany enhanced its sales and distribution effectiveness	102 Business Responsibility Report
18 Big picture	52 Our brands report, 2021-22	73 How Somany protected its supply chain	126 Corporate Governance Report
20 Chairman's overview	55 Somany's Financial Capital	75 Community Capital: Corporate Citizenship	147 Standalone Financial Statements
24 Managing Director's review	57 Somany's Human Capital	77 What our team members have to say about the distinctive Somany culture	223 Consolidated Financial Statements
28 How Somany has created a financial foundation for a multi-year value-accretive journey	62 How we have strengthened our manufacturing competence	78 Risk management	294 Notice
36 What excites us: A growing India story	64 How we strengthened our quality standards		
Part 2: Governance and ethics			
40 Building our business around the governance foundation			

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.

Young@50

Somany Ceramics Limited completes 50 years of existence in 2022 from the time it commissioned its first manufacturing plant.

The occasion marks a new beginning.

This milestone has been accompanied by a range of initiatives that are reinventing the Company.

The Company is making the largest investment in its existence.

The Company is adding the largest tile capacity in its existence.

The Company is making the largest quantum of value-added products in its existence.

The Company is doing all this with the highest proportion of accruals in its investment outlay.

Reconciling maturity in experience with the passion of a start-up.

Life begins at 50.



Part 1

Company overview

Somany Ceramics Limited.

Five decades of addressing unmet needs in India's ceramic tiles industry.

Five decades of quality excellence resulting in the manufacture of a world-class product for Indian needs.

Five decades of financial stability, addressing the needs of vendors and shareholders.

Five decades of reaching products wide and deep across the vast Indian land mass.

And our growth story is just beginning.



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.

Track record

Somany Ceramics Limited was incorporated in 1968 by the late Mr. HL Somany. Over the decades, the Company has emerged as an internationally acclaimed organisation that specialises in the manufacture of ceramic tiles and complementary products. The Company is recognised among the market leaders in India's ceramic tiles industry for its designs, capacity, quality, Balance Sheet strength and market presence. The Company is presently being stewarded by Chairman & Managing Director Shreekant Somany and Managing Director & CEO Abhishek Somany.

Product portfolio

The Company's diverse products range comprises ceramic wall and floor tiles, polished vitrified tiles, glazed vitrified tiles, sanitaryware and bath fittings.

Listing

The Company is listed on the BSE Limited and National Stock Exchange of India Limited, where its equity shares are actively traded. The market capitalisation of the Company was ₹2,75,084 Lakhs as on 31st March 2022.

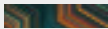
Brand

The Company markets tiles and bathware products. The Company's brand ambassador is iconic actor Salman Khan. The Company's brands comprise Somany Duragress, Somany Durastone, Somany Glostra, Somany Vistoso, Somany Vitro, Somany Slipshield, Somany VC Shield, Somany Signature and Somany French Collection.

Manufacturing facilities

The Company's 11 state-of-the-art manufacturing units are spread across India. We possess an aggregate tile production capacity of ~53 msm, 1.15 million pcs of sanitaryware and 0.65 million pcs of bath fittings per annum.

	Company	Stake	Unit	Annual capacity (in msm)
Tiles		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



Awards and accolades

The Company was recognised as ‘India’s Most Desired Brand’ in the category of ‘Ceramics’ by TRAs Most Desired Brands Awards 2021

The Company was felicitated with Certificate of Appreciation for ‘Trailblazing Iconicity’ by the Economic Times Iconic Brands of India 2021

The Company was felicitated virtually as ‘Best Brand in Building Materials and Fittings 2021’ by the Economic Times Iconic Brands of India

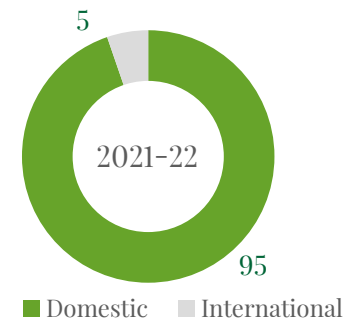
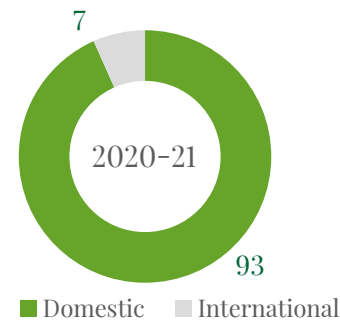


Key numbers in 2021-22





Revenue by region (%)



Company created by Late Shri Hira Lal Somany in collaboration with Pilkington Tile Holding (UK)

1968

Somany Pilkington Limited established its first manufacturing unit in Kassar, Haryana

▶ 1971

Established manufacturing plant in Kadi, Gujarat

▶ 1981

Acquisition of the Pilkington shareholding by the Indian promoters

▶ 1994

Installed a new production line at Kassar (increased capacity by 6000 sqm per day)

▶ 1995

Our growth journey

across

1996

Received Government's recognition for its R&D facility, a first in India's tile industry

▶ 1998

Received ISO Certification for Quality Management System

▶ 2000

Commenced the import of tiles from Europe under the Somany Global brand

▶ 2001

New floor tiles manufacturing plant set up at Kadi, with a capacity of 6000 sqm per day

▶ 2007

Changed the name of the Company to Somany Ceramics Ltd.; ventured into the sanitaryware space