

GROWTH
THAT REFLECTS
OUR VALUES



Senator – Unveiling
A New Brilliance



CERA

CLASSY Admirably Skillful
and Graceful

EXQUISITE Pleasing Through
Beauty and Perfection

RADIANT Emitting Light and
Glowing Brightly

AWESOME Inspiring Feelings of
Wonder and Awe

Board of Directors

- Shri Vikram Somany - Chairman and Managing Director
 - Smt. Deepshikha Khaitan - Vice Chairperson (Non-Executive)
 - Shri Sajjan Kumar Pasani - Director
 - Shri Lali Kumar Bohania - Director
 - Shri Ayush Bagle - Director
 - Shri Surendra Singh Baid - Director
 - Shri J. K. Tapania - Director
 - Shri Atul Sanghvi - Executive Director
-
- Shri S. C. Kothari Officer - Chief Executive Officer
 - Shri Bharat Mody - Strategic Advisor
 - Shri R. B. Shah - Chief Financial Officer

Bankers

State Bank of India

Auditors

N. M. Nagri & Co.,

Chartered Accountants,

'A' Block, 5th Floor, A-1 & A-2, Safal Profitaire, Opp. Prahlad Nagar Garden, Near Hotel Ramada, Prahlad Nagar, Ahmedabad - 380 015.

Registered Office

9, GIDC Industrial Estate, Kadi-382 715, Dist. Mehsana, Gujarat, India.
www.cera-india.com; Phone : (02764) 242329, 243000
E-mail : kadi@cera-india.com; CIN : L26910GJ1998PLC034400

Sales & Marketing Office

"Madhusudan House", Opp. Navrangpura Telephone Exchange, Ahmedabad - 380 006.

Works

- 1) Sanitaryware and Faucetware Plants :
9, GIDC Industrial Estate, Kadi-382 715, Dist. Mehsana, Gujarat.
- 2) Wind Farms :
 - a) Vill. Lamba & Patelka, Tal. Kalyanpur, Dist. Devbhumi Dwarka, Gujarat.
 - b) Vill. & Tal. Kalyanpur, Dist. Devbhumi Dwarka, Gujarat.
 - c) Vill. Kadoli, Tal. Abdasa, Dist. Kutch, Gujarat.
 - d) Vill. Jivapar (Anandpar), Tal. Chotila, Dist. Surendranagar, Gujarat.
 - e) Vill. Mota Gunda, Tal. Bhanwad, Dist. Devbhumi Dwarka, Gujarat.
 - f) Vill. Navagam, Tal. Bhanwad, Dist. Devbhumi Dwarka, Gujarat.

Registrar & Share Transfer Agent

MCS Share Transfer Agent Limited
201, Shatdial Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009.

President & Company Secretary

Narendra N. Patel

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Roaring with Pride,
Rearing to go further



Financial Highlights of 2017-18

Dynamic to Touch the Future Today

CHAIRMAN'S MESSAGE

CERA is born dynamic. From policy to processes to product range, We Think Big and Execute Big. I'm happy that from humble origins, CERA has transformed into a household name in India and is beginning to conquer other parts of the world, such as the GCC countries.

CERA's ethos is simple. We improve constantly. We hone our skills on an everyday basis. We do better today what we did yesterday. We are bold and welcome changes and innovations with pleasure.

Our aim is not just to be sharper, but to provide more comfort, more luxury and more convenience to our customers. So we perceive and touch the future every day at CERA.

PERSPIRE – INSPIRE

We question the status quo. Not for its sake, but in a constant pursuit to improve. Our products reflect the urge to be the ultimate. Thereby millions of our customers get more convenience, comfort and luxury.

This keeps CERA in good stead, having a mass prospective customer base, elevating our strengths to grow, survive, flourish and lead.



The Clarity of Transparency, Prudence with boldness

PRISTINE VALUES

CERA has been a scrupulous and prudent corporate player. The management is keenly aware of their responsibilities and envisions capturing glory for the company through air-tight policies, transparent practices and processes to protect the stakeholder and to take the company ahead of competition at the same time.

The platinum standard of our corporate governance lend us a discipline that deserves applause. We function with transparency at every level and we stick to processes and precedents with immaculate dedication. The discipline innate in the company's corporate persona is immensely admired even by competitors. This hygienic running of the company keeps it in a healthy shape when it comes to any challenge or change.

CERA's evolution as a trusted brand has an organic development over the years. The industry respects CERA just as much as the customer loves CERA. This honesty and dedication reflect on the spotless reputation of the company.

Our integrity thus, translates to credibility among customers and the industry.

From Chairman downwards we have several different individuals and functional heads. Yet we work as one. Our decisions planned at the boardroom percolate down to the rank and file with not even a drop lost. At CERA, each pivotal decision is put into practice after it passes the 'test': The questions posed by our masterminds. Then, the company as a whole rises as one to back it and make it run its role. With this unity has come a strong employee retention, which is hallmark at CERA. No CERA employee ever wants to leave. We are also a sought-after employer with one of the best employee retention records.

Pinnacle of Leadership

Change heralds progress. Mobility means new life. Whether it is introducing new products or passing on GST benefits to customers, CERA plays the game competitively, yet with great sportsmanship. Our management brims with quality. The crème de la crème of sanitary ware industry leadership heads us. No wonder we are able to reach new positive numbers and reach new benchmarks.

CERA also took the lead by passing on the benefit of reduction in GST rate on faucets by reducing the MRP of faucets. These initiatives do the dual role of sustaining the goodwill of the company on the long run, and keeping its name for being an -

Industry Leader

RISE – PRIZE

CERA's journey has been characterized by adventure and a path-breaking nature. We fought the urge to be complacent; we didn't rest on our laurels. We wear the armour of tenacity and explore new ways of bettering ourselves constantly.

CERA is now synonymous with quality among a wide spectrum of products. More than that, CERA ushered in a new era of bathing experiences till then unheard of in the country.

We elevated the mundane to the sublime.



Changing Tenets with Changing Times

When the company is on a growth path, its tenets for progress also change with passage of time. CERA embraced the habit of growth. This consistency has become a hallmark evident in its surge of success over the years.

Then, it shifted gears to overdrive by taking closer attention to details, and portrayed CERA's vision mirroring its qualities of diamond; the Clarity, the Cut, the Carats and the Colour.

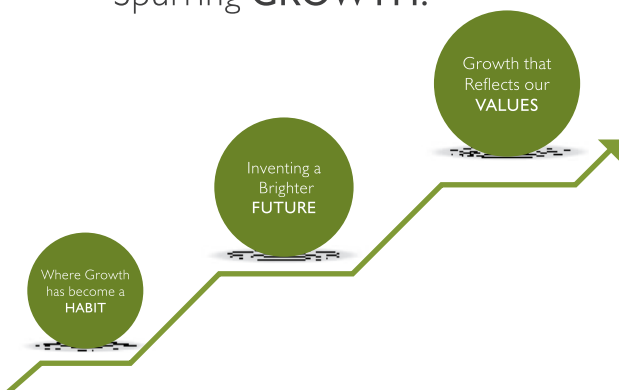
These values lend brilliance to the entire corporate personality of CERA. The 'Clarity' in vision is phenomenally focussed. The strategies and policies are formulated unwaveringly based on the vision, the vision that helps us to grow. The entire process flows with precision. The 'Cut' stands for cutting-edge and is found in our world class technology. The fine design specifications and innovations are fulfilled through the ultra-tech plant. The 'Carat' is the value of the company vis-a-vis other players in the industry. CERA is way ahead of the competitors as one of the leading mid-sized building materials company with strong fundamentals. And finally, the 'Colour' constitutes the transparency that translates to strong integrity of the company.

These diamond-like values radiate the strengths of CERA as a company, and just like the diamonds, CERA is here to stay forever.

Today CERA focuses on Value Sustainability and Growth. With the values kept sacrosanct, the growth gear shifts up notches. The ideology of strong stability doesn't rock the ship in the winds of change. Instead CERA moves forward with greater resolve, reaping success.

We at CERA have persistently nurtured 'Growth' with strong ethical 'Values'; undoubtedly the fruits will be sweet for the stake holders

Sparkling Values, Spurring GROWTH.





Standing apart. Standing Tall

Bringing Boundless Bliss for Stakeholders

Our continued good work helped us in performing well. The performance helped us to stand tall even in a sluggish market. We stand tall on strong fundamentals

There is more to numbers than meets the eye. Sometimes they give vivid insight.

At other times they may mislead. In case of CERA, our numbers are most consistent, robust and true.

Even a sluggish market doesn't stop CERA from performing a cut above the rest when compared with others within the building material industry. The top line for the FY 2018 has grown by 16.92% on YOY comparison. All our stakeholders are well aware that we have unabated inner strengths to absorb the cost push in a subdued market scenario, which largely is cyclical, as we almost maintained the bottom line

The best way to understand CERA is to have the wisdom to look beyond a few quarterly performances or one single annual result. We believe the future has a lot more to unfold. Undoubtedly, we have embarked on the right path. Our policies and planning have always been meticulous. We are focussing on core business development and with time, we are confident that it will bear sweeter fruits.

Figuratively Speaking, we are Sitting Pretty Good.

FINANCE – ENHANCE

CERA's financial fundamentals are rock solid. The strengths in the Balance Sheet are evidently visible and needs no elaboration.

Our financial outlays push growth and so do the revenue streams. We make constant endeavours to channelize resources to create the critical momentum to make things happen in planned directions.

PERFORM – REFORM

Wherever necessary, we made changes in processes to keep ourselves slim and trim, objectively, in support of our efforts on 'Cost Control' measures. Yet, wherever needed, we leap to lead.

Surmounting obstacles, surpassing expectations, we raise the scale of business operations with 'outsourcing' in products that have synergy. And when we say 'outsourcing' we mean to include our JV commitments in some of the product categories. Our Capex plans are in line with our business aspirations and would continue to be so without any extra borrowings, largely funded with internal accruals.

To continue to remain Debt Free is the keyword!

Strategizing to Shape Success



Power Packed Triumphant Traits

CERA has grown at far more higher rate than the industry growth rate in all the product categories. We have a straight thinking leadership. Our decisions are clear cut. The corporate governance is characterised by a responsible business-like approach. The entire structure of our business model rests on the credibility, integrity, empowerment and values we have garnered over years. All these help us to continue to aspire to grow far higher than the industry growth rate in the time to come.

Through our well articulated business model, we have attained comfort levels with combination of production disbursed in our own manufacturing units, what we refer to as 'in house' and through 'outsourcing' as well. Sanitary ware and faucets fall under in house category while tiles production is entirely outsourced and includes JV arrangement

We base our strategies on our long term vision and mission, so we stay focused and straight. We stick to our strengths. We do only those core businesses which we understand. Our understanding of manufacturing sanitary ware and faucets is unparalleled. All the product verticals have terrific synergy as bathroom products and to common distribution channels. We consciously make our chosen segment of sanitary ware, tiles and faucets even more strong and immaculate. There is no waywardness in our strategies, nor any knee-jerk reactions.

During past several years, CERA has built business with noteworthy growth trajectory; whether we speak of raising the 'in-house' production capacities or tying up firmly the 'outsourcing' arrangements. The outcome of these efforts is well reflected in our revenue as well as the overall margin improvements. Continuously sustainable free cash flow generation contribute to the overall well-being and help us to build on our rock solid fundamentals, and to remain debt free.

For years, we have firmly set our feet on 'value for money' range being plain vanilla when we reach out with popular and mass range of products. During the past several years the entire brand perception and the image has transformed towards upper class with a touch of premium, and a lot more visibility. We have been seriously eying an Orbit shift with wide range of premium products. A recent introduction of spinning out a higher brand 'Senator' by CERA is step forward in this direction. With the product premiumization, we are now offering vast options for selection of superior designs. This adds superlative flavours and empowers us with better competitive strengths and relatively much higher margins while we still continue to remain within competitive price bands.

While we lay a strong emphasis on leveraging Brand CERA, a well-established and ever expanding distribution network adds to the goodness.

Our inventory and debt levels are well under control through stringent working capital management processes. No wonder we are a debt free company with most of our Capex funded with internal accruals. Correct capital allocation is another healthy aspect.

EBDITA margins are important to us. However, considering the business model that we pursue, our focus is more on how we are able to improve ROCE and ROE. Sustainability of margins is what matters to us. We are as much concerned to improve overall margins as much as we are concerned towards our revenue growth.

Agility about rise in cost components and its impact on margins are the company's extra strengths. CERA has strong brand appeal and acceptance. That is how any normal cost escalation is easily passed on to the distribution channel or end users. Because, we are always

Expanding, yet remaining Lean Strategically



Developing capabilities is an on-going facet with CERA. We were among the very few distinguished pioneers in the industry to have introduced 3D Printing Technology for precision moulds to help implement import substitutions and use indigenous technology for optimum productivity and better yields.

We ensure sustainable margins on each of the product verticals either in terms of EBDITA, PAT for manufactured products and the ROE / ROCE as overall including the investments we make in JVs of products such as Tiles, Packaging and way forward for Polymer products. We are on constant alert and use computer aided technology and system integration to control and enhance productivity.

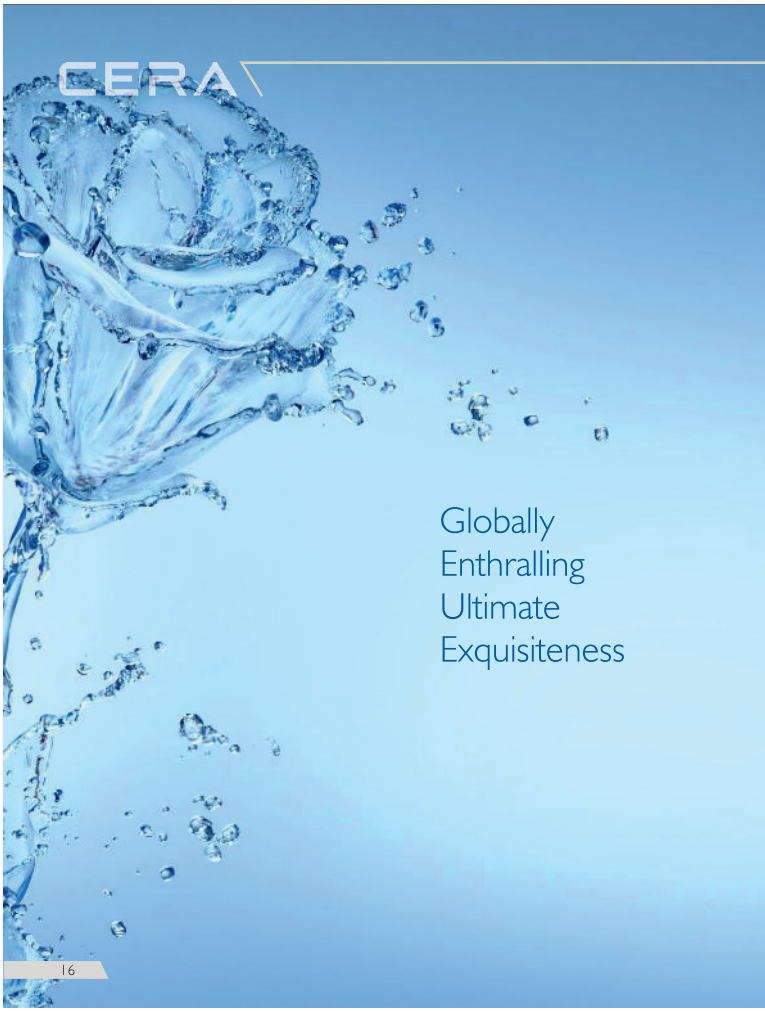
Ongoing process improvement progresses at CERA as epitomized by manufacturing twin bigger pieces with high productivity and value realization. We are continuously automating our processes with control on parameters, thereby achieving maximum resourcefulness and productivity. The resultant economies of scales give consumers value for their money in a big way. After all,

It's all in the genes.

TOP SPOT – SPOT ON

For the first time in India, CERA uses BIM compatible drawings for utmost accuracy. Designs of any shape, size and type come out with a precision that promises pleasure in the bathroom and beyond. Clear contours and flowing curves go true according to the last detail, elevating customer experiences to a new high.

At CERA, accuracy is not an aim but the means to a supremely sublime level. The EWCs and single level faucet ranges feature straight lines, curves and futuristic designs contribute to the pristine look of bathrooms.



Globally
Enthralling
Ultimate
Exquisiteness

Where Every Design is a Masterpiece

At CERA, design innovation is a matter of prime importance. We constantly come up with new ideas in our products. We strive to bring out freshness in our product series.

Top-notch designers come up with triumphant masterpieces in a manner that may be called routine. Besides, CERA delivers fresh designs in each product category. The customer is spoilt for choice, and that too superior choice.

SIGN - SIGNATURE

Design is a cornerstone of CERA product manufacture. Meticulousness is a magic charm here. So is the quality of being exotic. Innate natural flair on one hand and the proficiency that our designers have accumulated compliments each other, playing the symphony of masterful design creations. It helps them create masterpiece after masterpiece.

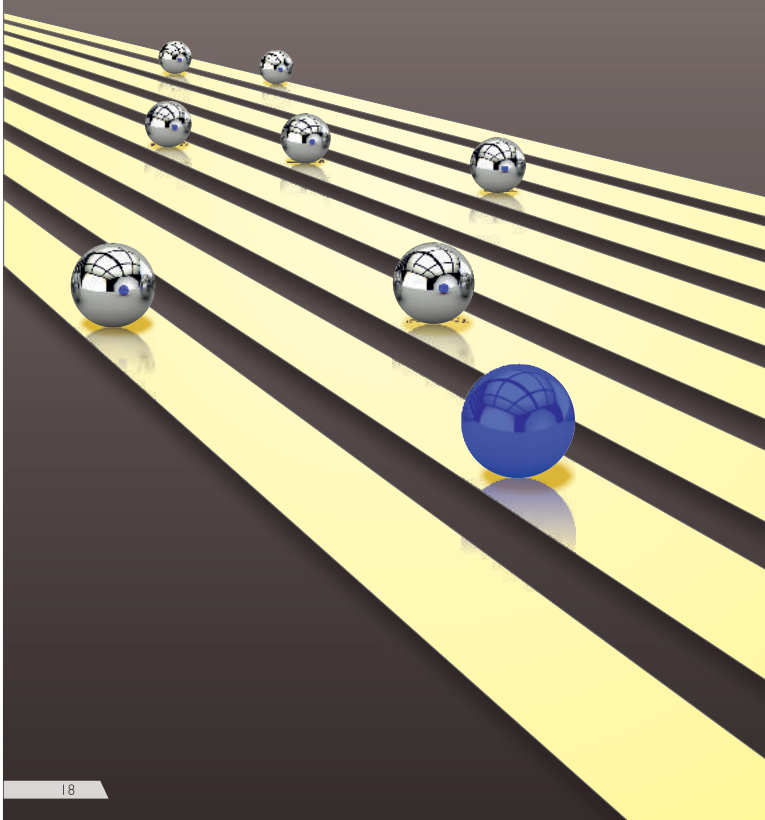
From tiles to faucets and sanitary ware, from bath cubicles to cabinets to mirrors – these designs bring about a serenity and tranquillity to soothe and energize a person whatever the time of day they choose to use their bathroom experience.

ATMOSPHERE – AMBIENCE

Anywhere in a home or building, the ambience can be altered if there is CERA. CERA brings its unmistakable signature.

Each category product shines with the sheen of tasteful design, precision manufacturing, superior raw materials and an opulence brought about by extraordinary styling. What it does to the mundane look of Indian bathrooms is nothing short of miraculous. The sleek, elegant, signature class designs add a whole new refreshing look, making houses and buildings come alive.

Because we are Creatively Disruptive



Innovation to Lead

Fine fundamentals to not only survive, but flourish

The trait of not being satisfied with the ordinary is extraordinarily evident in our corporate DNA.

That is how we explore uncharted territories and get inspired to come up with new, value-added product ideas. Whether it is the water-saving commode or the 4D flush.

That kind of innovation and a broad product basket with high potential to grow in terms of being top-of-the-line as well as consistency in earning growth augur well for CERA.

In a way CERA brings magic to life.

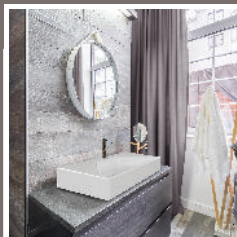
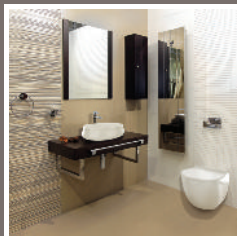
EASE – PEACE

CERA has a vision that sees beyond. It doesn't stop at the obvious. It sees through to capture what could be. A vision that has seen it offering a whole range of products bringing ease of use.

Half turn, quarter turn faucets and sensors are just a few examples. Looking beyond has seen CERA manufacture special needs products for the elderly and the kids. Grandparents and kids get specialized care from CERA.

This forward-looking thought process, or in other words, thinking for the customer, has launched us to the leadership position in the segment.

Senator – An Assembly Line of Royal Lineage



NORM – GLAM

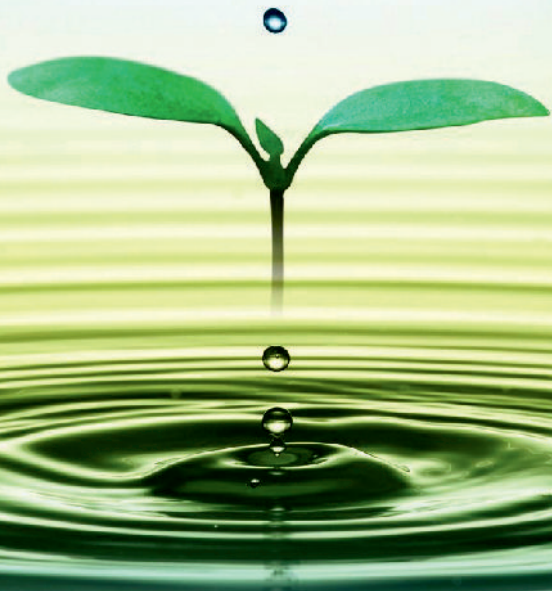
There was a time when the most neglected room vis-à-vis design in a house was the bath.

CERA changed the concept. We made it the most important place in the house. Because, that is where an individual gets the solitude to contemplate, to plan his day or to get inspired to have an idea, big or small. So the place was actually sacrosanct.

Our designers were briefed about the theme and they came up with the bathroom that could take up 'pride of place' position in the house. That way a guest who happens to get into the bathroom immediately gets the pulse of the homemaker's sense and vision that reflect in the rest of the house.



Gushing Clean



Nurturing Nature

Choosing the green path

While presenting a complete and opulent bath experience to customers, CERA endeavours to adapt eco-friendly measures in every way it can.

The single lever faucets apart from the normal half turn and quarter turn faucets are the green stars in the product range.

Another innovation is the water saving commode. In a country where water is scarce, it is a life-nourishing innovation. In the near future, the entire products will fall under the Green Norms, is a goal CERA has set for itself.

Creating New Benchmarks in Premiumization and Integrity



Celestial Shift

We keep a close tab on our performance.

The betterment of our performance finds its base in our endeavours to upgrade technology to match world class product standards and changing brand perceptions from 'Value for Money' to 'Premium' range. Strategically, we intend and endeavour to shift to the next Orbit and create our footprints both in terms of process parameters and the product market positioning.

The new brand 'Senator' by CERA, in Sanitaryware is the first step. We will expand this thought process to other product verticals - faucets as well as tiles gradually. However, we will continue to remain with our feet firmly fitted on ground at mid-level brand where we are anyway fairly strong.



CERA FOR YOU, CERA FOR ALL

Our product mix strategizes towards premiumization. We have the basic product, to the seven star spectacular sanitary ware (ISVEA range).

And there is a niche customer base for every category. CERA understands the market well with an uncanny instinct that beats older players at their own game.

For instance, we have soluble salt tiles (SST) as our basic commodity priced at the lowest while we also have glazed vitrified tiles (GVT) with innumerable design options sold at a more premium range yet affordable to all classes. In that way CERA caters to the whole market. Value for money is a basic rule with CERA, even in the luxury segment. The customer gets the most benefit with the least cost.

'Jeet' line of products is for the entry level market, largely positioned to cater affordable housing boom while CERA brand caters to the mid and upper mid-level market. 'Senator' range of products is at the premium level, while ISVEA is in the super luxury category. The strategy to go for premiumization of the product range has always been a richly beneficial move for the company and its stakeholders.

Winning Ware Premium
Ware Everywhere

Striving Harder
for Greater
Glory



Reluctant to Rest, Ready to Rise Higher

Evolving for Continued Growth
Exact capital allocations make us debtless

CERA surges ahead with unyielding determination. For us security and assurance go hand in hand. So yes, resourcefulness is the difference maker!

Building on the foundations of our traditions, the Capital allocation deployed ensures a debt-free structure which is an equally important factor for our growth. The sizeable CAPEX funded through internal accruals— ROCE & ROE are two basic parameters when planning capital allocations. The consciousness brings long term sustainable value in numbers for our stakeholders. Because,

We are a Consistent Performer,
who stands out with Brilliance.

SYNERGY - ENERGY

CERA is sitting pretty, enjoying the advantageous leadership position earned by bringing various factors together.

Innovation, technology and sustainability achieved in compatible and complementary fashion have borne fruit. This synergy is the energy that launched us to the summit.



The Working Capital cycle is constantly monitored keeping a close tab on Inventory and Receivable Management...

Perfect Production Cycles and Greater Market Share

CERA has been traditional strong in managing its working capital. The control procedures we employ are strict. Debt collections are prompt and persistent. Our stocks are well monitored and preserved. Due to the stringent measures of working capital management, the inventory levels are in all ways well under control. The production cycle is also keenly followed to minimize warehousing and storage expenses. Our brand value is spotless and our pricing and marketing practices are stellar to maintain our lead in the market share. CERA keeps flawless Stock Keeping Units (SKU) for perfect inventory and marketing practices. Our financials, logistics, human resources and other business areas are excellently managed with the aid of the powerful SAP systems. All these measures ensure solid working capital management at CERA.

Building on the foundations of our Stalwart Fundamentals



Resilient Resources, the deployment

Anjani Tiles is one member of the CERA family which did not come up to expectations. It has lagged behind in terms of numbers making it difficult for CERA to post additional profits. However, with the support of CERA, it is only a matter of time for things to turn around and Anjani to deliver good returns on investments. The technological improvements made during the year under review would be a game changer. The high end tiles that would form a large part of the revenue mix will soon start contributing better margins. The years ahead potentially would remain more promising.

In a situation like this, one must respond wisely to accept that such projects do have gestation period before it starts earning as much as we all would like it to be.

Patience and commitment to the business are the keywords.

CERA is planning to take step ahead with commitment to be a serious player in the Tiles business. Two more JVs are in the offering; one for the GVT Floor Tiles and other for Wall Tiles. Both these projects are to bring out more exquisite design options to choose from.

BEYOND FRONTIERS

Distribution Powers to reach every nook



Spreading wider Smiles across Longer Miles

Available Everywhere

CERA is present in every corner of the country. Its market share has increased enormously, also quite evidently.

Abroad it is in the nascent stages of expanding network. It has its showroom in Dubai, UAE to cater to the GCC countries. In India, the brand is well distributed and showcased in exclusive showrooms as well as dealership outlets.

MINDFUL MARKETING

CERA has a marketing network spread across the nation. It works with clockwork precision to support sales and prompt service. CERA Care caters to the after sales service and provides exemplary examples of customer care.

Reaching out Far and Wide



Making the Brand a Star

Beyond positioning, propelling the CERA brand to stardom was a careful and strategic play of perceptions.

From sanitary ware, CERA became a cool word for luxurious bathrooms and accessories.

This transformation didn't happen overnight, but out-of-the-box thinking and hard work of designers and our marketing team paid rich dividends.

FIRST AND FOREMOST IN THE MIND SPACE

When it came to displaying our brand and product range, we literally ravished on the ramp.

Celebrating brand brilliance was with both strategic and disruptive techniques, thereby receiving top-of-the-mind recall.

We have now implemented larger display area in our showrooms. CERA Galleries house all 125 products across 165 to 170 showrooms across India.

The new addition, exclusive tile galleries will number around 150 by FY 2019 with a targeted 500 plus on the anvil within the next three years.

Supporting the sales and marketing efforts are the 500 to 1000 square feet CERA Senator Collection's outlets. These spaces belong to the dealers while CERA looks after the interior design and materials supply.

Seeking new Horizons of Quality, Commitment and Service

NAV- CHETNA. RE-ENGINEERING THE SUCCESS PROCESS

CERA's business process was vitalized in collaboration with Accenture, the international business and system consultants. The Accenture project, aptly called Nav-Chetna, has helped the company get a new perspective of re-engineering on many of its product offerings.

INNOVATION ON WHEELS

New style offerings from CERA, ranging from faucet to tiles now reach to the doorsteps of architects, designers and developers. This saves them time and effort. CERA Style Studio on wheels is a moving convenience to them. The vehicles have been designed innovatively to appropriately display any newly launched product—be it sanitary ware, faucet or tiles and to take it to their offices or project sites. Very popular with the trade fraternity, this is another example of innovation from CERA.

CERA HOME UPGRADE: FROM BATHROOMS TO BATH WORLDS.

Bath spaces in India remain simply bath spaces, not renovated bath worlds because people are in need of a single agency to do the entire thing from concept to finish.

Products and new features are available in the market and people are fascinated by it, but are hesitant when it comes to actually taking the plunge. CERA Home Upgrade was constituted to meet this need. This newly launched initiative already addresses the consumer need for a single agency to upgrade their bathrooms in cities like Ahmedabad, Bengaluru, Mumbai and Pune. Expansion to other cities is on the cards. Currently, this initiative does not form part of revenue generation. The idea is to create more visibility with service to the customers to repose their continued faith in brand CERA.

A CUT ABOVE THE REST

Clarity, Cut, Carat and Colour, the characteristics of diamonds depict the long term investments that create wealth at CERA.

CERA enjoys mid-level brand perceptions in product category. However, it is most sought after when it comes to investment. We innovated a concept of 'Financial Brand', as there are many for whom it is a preferred investment destination when they decide to take positions in the Building Material space in domestic bourses.

CERA consistently records better earnings, PAT and EPS. Especially worth mentioning is the convincing growth pattern of the last 5 years'. Another proof of the success formulae, quietly contemplated by CERA's think tank.

BECAUSE,
the BEST
Never REST

Solidarity with the Society



Going the extra Mile

CSR is a three letter mantra at CERA

Environmental and social wellbeing are critical concerns at CERA.

We always go beyond what may be required by regulators and environment protection groups to give back to the community. CERA powers positive social and economic change in many ways.

Our corporate culture embraces a philosophy that balances the pursuit of profit with commitment to ethical conduct. For instance, we donated a ward for Bhagyodaya Hospital, Kadi, with fully air conditioned rooms having 14 beds each. For the residents of Kadi and nearby areas, CERA is a boon since the formers' health care is provided by CERA.

CERA is also keen to help young children. At Kundal Primary School, CERA increased the capacity of the drinking water tank from 6000 litres to 6500. A thousand students now benefit from the increased water, enhanced water hygiene, proper quantum of water supply, etc. Initially CERA had installed a 50 litre capacity cooling unit with their EUV plant.

Empowering rural women has been a hallmark of CERA's CSR. We have taught sanitary pad manufacturing to them in a process lasting two hours every day. The napkins so made are provided at subsidized rates. This scheme is on for 12" passed BPL women, mainly from the villages of Budasan, Kundal, Nani Kadi, Mathasur, Doriya and Bhavpura.

Similarly, vocational training in beautician course, tailoring, embroidery and cooking have been provided to needy young men and women. 715 people have so far benefitted through this program. This has increased the overall efficiency of women, increasing their confidence level, independence, improved life quality and respect in society.

A society is only as good as its youth. At Bhavpura, CERA runs a Coaching Centre for young teachers in Social Science, Maths, Computers and Skill development. Children taught by these teachers had improved scores, had better confidence and were exposed to digital media. These kinds of endeavours reduce the urban rural divide in competitions.

5 Year financial overview

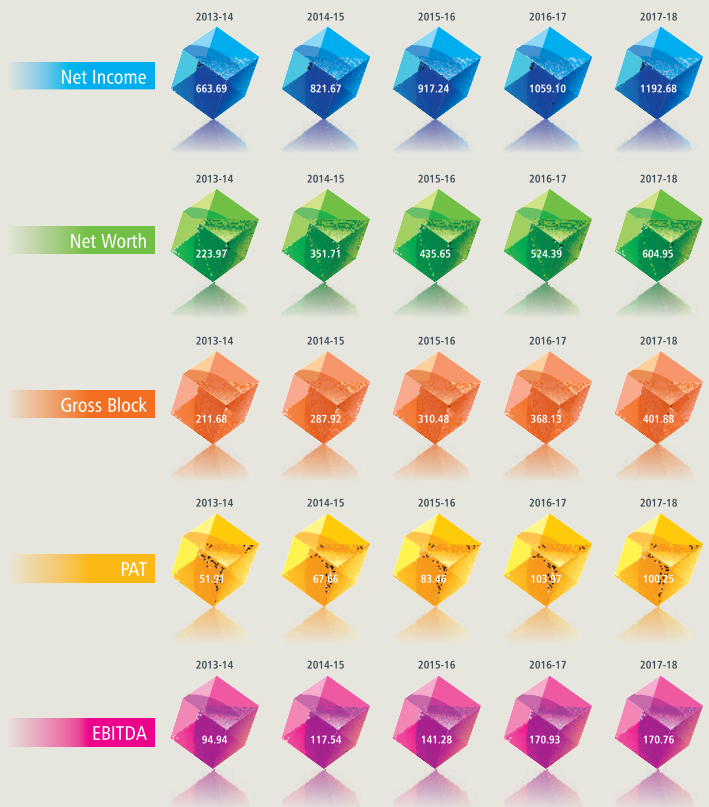
Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Net Income	663.69	821.67	917.24	1059.10	1192.68
Other Income	6.15	6.58	9.97	11.03	11.28
Total Income	669.84	828.25	927.21	1070.13	1203.96
EBITDA (excluding other Income)	94.94	117.54	141.28	170.93	170.76
Depreciation	12.25	15.46	16.32	18.12	22.36
Finance Charges	6.44	7.73	5.46	5.39	5.24
Profit Before Tax	82.40	100.93	129.46	158.45	154.44
Profit After Tax and minority interest	51.91	67.66	83.46	103.97	100.25

Financial Position	Rs. In Crore (except number of shares)				
Equity Share Capital	6.33	6.50	6.50	6.50	6.50
Reserve and Surplus	217.64	345.21	429.15	517.89	598.45
Networth	223.97	351.71	435.65	524.39	604.95
Gross Block	211.68	287.92	310.48	368.13	401.88
Net Block (incl. Capital WIP)	156.90	222.34	229.98	266.55	284.73
Investments	12.13	47.76	48.35	90.75	108.59
Cash & Bank Balance	30.71	29.53	31.80	37.65	23.04
Net Current Assets	103.35	174.27	201.68	246.75	313.95
No. of Shares	1,26,54,874	1,30,05,874	1,30,05,874	1,30,05,874	1,30,05,874

Ratios	In Percentage (Except EPS)				
EBITDA margin	15.23	15.11	16.49	17.18	15.26
PAT margin	7.82	8.24	8.94	9.82	8.41
Return on Capital Employed (ROCE)	31.51	25.47	28.29	29.06	25.73
Return on Net Worth (RONW)	23.17	19.24	19.82	19.83	16.57
Earnings Per Share (in Rs.)	41.02	53.36	64.17	79.94	77.08
Dividend Per Share (in Rs.)	5.00	6.25	9.00	12.00	12*

* SUBJECT TO APPROVAL FROM SH IN THE ENSUING AGM.

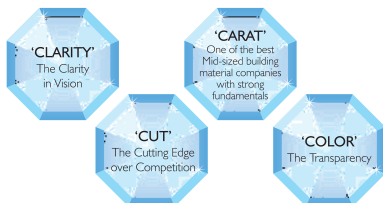
Our Numbers speak Volumes



Stakeholders' Sterling Asset

Value-added for Long-term Prosperity
An Investment that lasts forever

The four C's depicting long term investments that create wealth, are found in diamonds.



The sterling qualities of diamond mirror so much on CERA the financial brand that it has become the most trusted brand amongst investors in the Sanitary Ware and Building Materials industry.

CERA's clarity, cut, carat and colour are alluring the domestic stock exchanges.

CERA has gained ground as a Financial Brand in addition to being a Brilliant Product Brand. A consistent posting of flying colours every time when it came to earnings has helped it attain dual strength.

True to the prowl, CERA's financial results have remained steady and growing throughout the financial year.



Dividend Distribution Policy

1. Background and applicability

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), require the Company to formulate and disclose a Dividend Distribution Policy in the annual report and on the corporate website. The Board of Directors ("Board") of Cera Sanitaryware Limited ("Company") has adopted this Dividend Distribution Policy to comply with these requirements.

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend.

2. Dividend distribution philosophy

The Company is deeply committed to driving superior value creation for all its stakeholders. The focus will continue to be future growth and long term interests of the Company as well as its shareholders. Accordingly, the Board would continue to adopt a progressive dividend policy, ensuring the immediate as well as long term needs of the business.

3. Statutory and Regulatory Parameters

The Company shall declare dividend only after ensuring compliance with the requisite regulations and directions as stipulated under the provisions of the Companies Act, 2013 and rules made thereunder. SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, other SEBI regulations and any other regulations as may be applicable from time to time.

4. Circumstances under which shareholders may or may not expect Dividend

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities, government policies & regulations and other relevant factors (as mentioned elsewhere in this policy) and accordingly declare dividend in any financial year.

The shareholders of the Company may not expect dividend under certain circumstances including the following:

- In the event of inadequacy of profits or whenever the Company has incurred losses

- Significant cash flow requirements towards higher working capital requirements / tax demands / or others, adversely impacting free cash flows
- An impending / ongoing capital expenditure program or any acquisitions or investment in joint ventures requiring significant allocation of capital
- Allocation of cash required for buy-back of securities
- Any of the internal or external factors restraining the Company from considering dividend

5. Financial parameters and other internal and external factors that would be considered for declaration of dividend

The Board will consider various parameters as mentioned below before arriving at a decision on declaration of dividend:



CERA



CERA
CERA Sanitaryware Limited

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