

PRESENTATION
2015-16

Vision that Sustains
Value



CERA
CERA Sanitaryware Limited

CERA
better expressed as...



CLASSY • Admirably Skilful and Graceful

EXQUISITE • Pleasing Through Beauty and Perfection

RITZY • Ostentatiously Fancy and Stylish

AWESOME • Inspiring Feelings of Wonder and Awe



CERA IS THE STAR SME



An accolade that celebrates our spirit of excellence and enterprise.

"Cera Sanitaryware bagged the 'Star SME' award conferred by the Business Standard Group as part of its Business Standard annual awards 2015 edition held at the Crystal room of the Taj, Mumbai. Every year the Business Standard group celebrates leadership that treads alternate paths than the traditional ones.

The award trophy was presented to CERA' Chairman & Managing Director Mr. Vikram Somany, by Chief Guest Mr. Nandan Nilekani – co-founder of Infosys and former chairman of the Unique Identification Authority of India.

The award jury cited CERA's discipline in financial metrics and its continuous growth in market share. It also made a special mention about CERA's strategy for changing consumer preferences. "CERA's revenue CAGR during the past three years has been over 37 per cent, much above the industry average of 12-14 per cent.

The main thing that seems to have worked out in favour of Cera is its strategy to adapt to changing consumer preferences and the positioning of the company as a bathroom solutions provider instead of just sanitary ware. Also, its investment in brand-building and customer satisfaction paid off big time.

From Chairman's Desk...

Dear Patrons, Stakeholders and Friends,

When your efforts are well intended you are aptly rewarded for it. It rings true for us as well. During the course of the year, we received several coveted awards for our performance — Star SME from Business Standard, Business Knights award from Economic Times, Best Mid-sized Company award from Nav Gujarat Samay, Gujarat Ratna award from CNBC, Trusted Brand award from Reader's Digest, Asia's Most Promising Brand award from WCRC, etc. to just name a few.

The economy was reported as progressive with sustained and at times impressive GDP, when compared with global scenario. The year in fact passed by with a note of subdued business. Despite, the Realty and Construction business witnessed sluggishness all throughout the year, the entire trade expects good days ahead. These expectations are based committed Government policies and some initiatives in right direction. Housing for all by 2022 and 'RERA' - Real Estate Regulatory Authority Bill are important such initiatives by Central Government. Another and much discussed GST - Goods and Service Tax is in the offing and days are not too far where this will see the light of the day as with time economic and development reasons would prevail over political ambitions. As opined by economic pundits a quite a bit depends on how the onset of good the monsoon is going to be in coming months, the weather forecast has raised very good hopes for many of us. All these in turn, are expected to give much needed fillip to the economy and consumer goods more in life style and housing products. CERA is gearing up on this with more focussed efforts to build and enhance manufacturing capacities and inner strengths to control cost and be consistent on quality parameters with use of latest technologies including robotic where applicable.

The year has whizzed past and its results time at CERA again. When we sit back and look at the report card. What emerges is one strong point; acceptability of our entire product range and brand power. These are fully backed up by our responsible approach to end users and channel partners.

The process of development of new designs modules continues in every business segment. This has not only won us new customers and markets but also helped to retain loyal customers year after year. And all this wouldn't have been possible without the commitment, dedication and hard work of our team, from production to marketing, from design and sales and service. When it comes to CERA products range we are one of the best in the quality we offer.

As you flip through the pages the cumulative result is for all to see. Our growth saga continues despite subdued market conditions. We could achieve good set of numbers primarily on account of our continued efforts in leveraging the brand value and product optimization. Sales and marketing strategies that helped us largely was based on our focussed and intensified efforts to promote faucet ware and sanitary ware with sustained business in tiles which after our new Joint Venture in Southern India - Anjani Tiles Limited, certainly gives us an edge in competitive market with much better volume growth in time to come.

With enlarged product basket and truly meeting the expectations of a reliable 'bathroom solutions' provider, along with deeper penetration in tier II markets has seen the company doing relatively well sustained demands scenario. Combined with our excellent after-sales service riding on a backbone of a very loyal distribution network across the country and you have winning formulae in hand, year after year.

We also launched an initiative to give our customers a tactile experience; CERA Style Studios born out of this urge to give a touch and feel experience is now available in upmarket locations in Ahmedabad, Mumbai, Kochi, Bengaluru, Hyderabad, Gurgaon, Chandigarh, Chennai, Thiruvananthapuram. To strengthen our footprints in Eastern India, a new CERA Style studio was recently opened in Kolkata. We have earned kudos for this initiative and also gathered useful feedback from prospective customers.

We also now have a dedicated display and sales touch points called CERA Style Galleries owned and managed by its trade partners. As of today there are 200 of these which are soon to increase. For smaller retail partners we have encouraged and promoted the CERA Style Centre. This has helped visibility of the brand in smaller towns and outlets. We have even gone a step forward with CERA Style Studios on Wheels, bringing the products to the doorsteps of key decision makers like architects, developers, etc. And finally our after sales service is further strengthened with CERA Care wherein new technicians have been inducted for taking care of services in all key cities of the country.

With continued support from talented actor & Bollywood style and fashion icon Ms. Sonam Kapoor as our Brand Ambassador, the brand visibility has become phenomenally eye-catching. We are garnering through high decibel television campaigns on national and regional channels showcasing sanitary ware, faucets wares and tiles. The

television campaign was supplemented by print advertisements in magazines. The exercise did make heads turn as we are now a notch above the rest.

With so much going we are also broadening our horizon with an exclusive tie up with Italian luxury designer sanitaryware brand, ISVEA, to market their luxury range of sanitaryware in India. With this we make our much awaited entry into the luxury segment.

We are also fully committed to Our Hon'ble Prime Minister, Shri Narendra Modi's 'Make in India' initiative of transforming India into a global manufacturing hub. We reiterate our commitment to his vision of making India self-sufficient and self – reliant. As we leap ahead I believe that we shall grow from strength to strength and emerge as a truly global brand one day. Blending Indian values with international quality, design and style.

Que CERA CERA, the future is ours to see!

Till we meet again, here's to happy times!

Thank you.

Vikram Somany, Chairman

'CERA'

“ At CERA, we see ourselves taking the next big leap. Having established ourselves as a consistent player in the sanitaryware segment we are now looking at much higher growth through new products and range of newly developed designs.. expanding our market footprint by entering the luxury segment soon. ”



Team

CERA and Corporate Information

PRESENT BOARD OF DIRECTORS

Name of Director	Designation
• Shri Vikram Somany	Chairman and Managing Director
• Smt. Deepshikha Khaitan	Vice Chairperson (Non-Executive)
• Shri Sajan Kumar Pasari	Independent Director
• Dr. K.N. Maiti	Director
• Shri Govindbhai P. Patel	Independent Director
• Shri Lalit Kumar Bohania	Independent Director
• Shri Atul Sanghvi	Executive Director

Shri S C Kothari - Chief Executive Officer

Shri Bharat Mody - Strategic Advisor

Shri R B Shah - Chief Financial Officer

Shri Narendra N. Patel - President - Company Secretary & Compliance Officer

REGISTERED OFFICE

9, GIDC Industrial Estate, Kadi - 382 715 Dist. Mehsana, Gujarat, India.

CORPORATE OFFICE

Mudgal Lounge, 2nd Floor, 23, Chetla Central Road, Opp. Chetla Central Park, Kolkata - 700 027. Tel.: +91-33-24484222, 24484223, 24484224.

E-mail: corporateoffice@cera-india.com

SALES & MARKETING OFFICE

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

WORKS

- I. Sanitaryware and Faucet ware Plants: 9, GIDC Industrial Estate, Kadi- 382 715, Dist. Mehsana, Gujarat.
- II. Wind Farms
 - ◆ Village Parelka & Lamba, Taluka Kalyanpur, District Jamnagar, Gujarat.
 - ◆ Village & Taluka Kalyanpur, District Jamnagar, Gujarat.
 - ◆ Village Kadoli, Taluka Abdasa, District Kutch, Gujarat.
 - ◆ Village Jivapar (Anandpar), Taluka Chotila, District Surendranagar, Gujarat.
 - ◆ Village Mota Gunda, Taluka Bhanwad, District Devbhumi Dwarka, Gujarat.
 - ◆ Village Navagam, Taluka Bhanwad, District Devbhumi Dwarka, Gujarat.

BANKERS

State Bank of India

AUDITORS

H. V. Vasa & Co., Chartered Accountants,
B-2 "Usha Kiran", Opp. Khanpur Gate, Ahmedabad 380 001

REGISTRAR & SHARE TRANSFER AGENT

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

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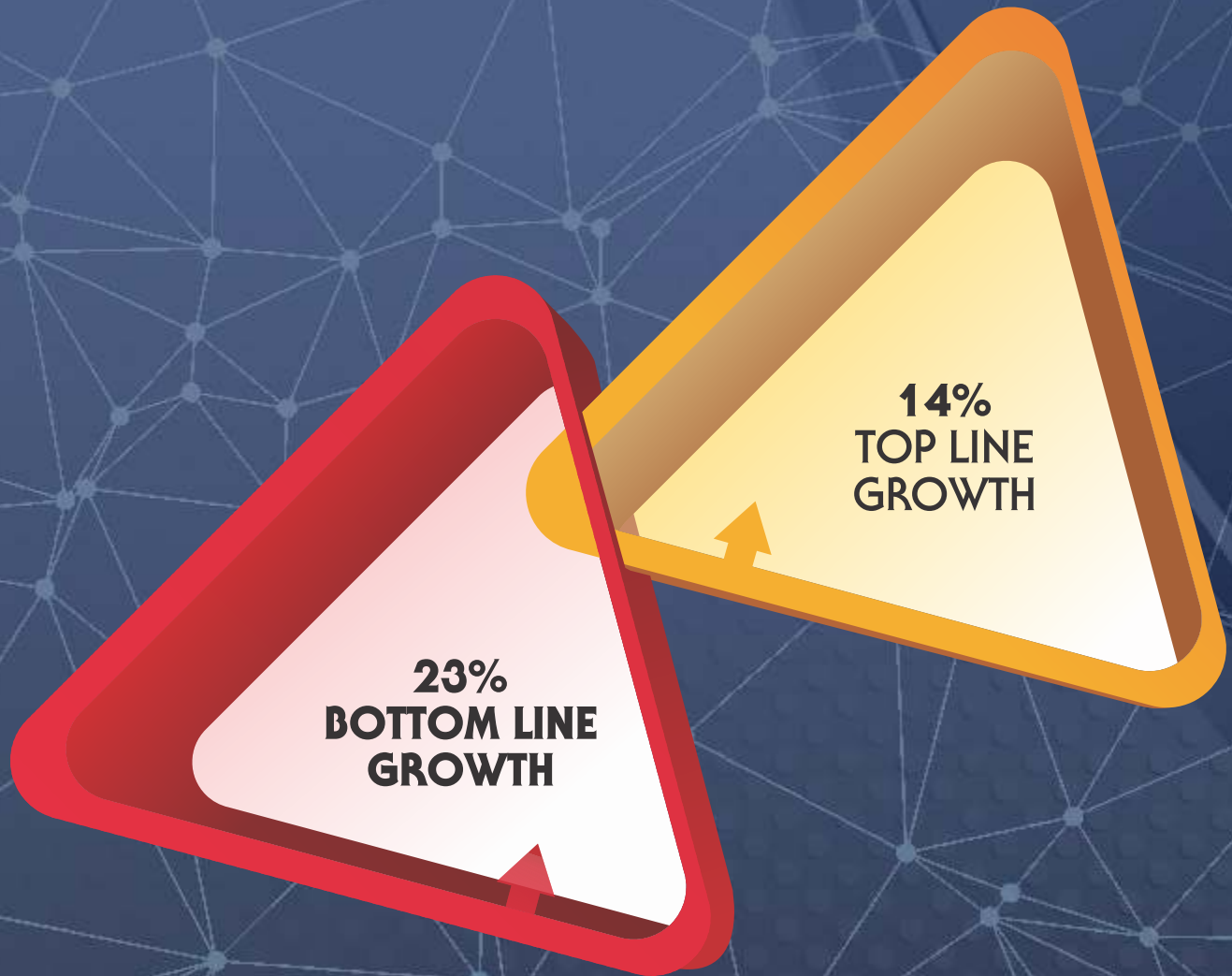
Mrs. Deepshikha Khaitan
Vice Chairperson - Non-Executive



SPARKLING JOURNEY

Inventing Brighter Future

**GROWTH IS A
CONTINUOUS PROCESS...**



CERA

**180%
DIVIDEND**

**Rs. 53.36
EPS**

**WE REINFORCE THIS
WITH OUR ENDEAVOURS.**



Mr. S C Kothari
Chief Executive Officer



Vision

AIMING HIGH!

- Brand Power
- Product positioning
- Endeavour to generate and sustain 'Returns on Investment' for the organization as well for Share holders
- Always eager to establish benchmark in upholding the highest standards of business ethics and corporate governance
- Endeavour to enhance support system to CERA's business associates

...And lead a way in fulfilling corporate social responsibilities.
Reinforcing the foundation for growth...

‘CERA’
in every home...!

Leadership by **PRUDENCE**



Mr. Atul Sanghvi
Executive Director

Mission CLEAR CUT FOCUS

- Focus on Top line as well as on Bottom line. To create and build platform for sustainable top line and bottom line growth
- To strengthen company's position as a market leader across product basket so to say as total bathroom solution provider
- To implement the best practices in areas of product quality standards as well as in health and safety for all our employees
- To become a preferred brand for real estate developers as well as that for retail customers
- To be known as an efficient brand
- Excellent after sales service
- Easy availability through extensive network
- Helping customers choose the right product
- Friendly and responsible workforce

..In the footprints to sustain growth.

Consistent performer,
built on many strengths





SOLID TRACK RECORD BASE FOR SUSTAINING GROWTH MODEL

We lay more emphasis on 'Business Model' that we perceive; a 'Powerful Manufacturing Base' with world class technology at Single Location and 'Outsourcing' domestically as well as from overseas are two main pillars for sustaining growth and margins amidst relatively subdued realty market.

The track record of consistency in performance woven with responsible attitudes and credibility has helped relationships extend beyond market dynamics during the long journey of around 36 years.

Over these many years, the Company has been successful in establishing brand, widespread distribution network and pioneering initiatives which have evolved 'CERA' from a pure Sanitary ware manufacturing company to complete status of a bathroom solutions provider.

'CERA', during FY 2009-10 made a modest beginning in this direction and had put up a state of the art manufacturing of Faucet ware. Continuing these efforts to

expand the product basket, in FY 2012-13 the company also forayed into Tile business purely on 'Outsourcing' business model riding high on brand image. As a way forward, 'CERA' during FY 2015-16 entered into JV – Joint Venture; arrangement with controlling stake of 51% in Anjani Tiles Limited.

A meticulously chalked out strategies of expansion - diversification with enlarged product basket and aptitude of strong customer focussed business approach, the company has exceeded the expectation of industry watchers by recording growth in top line of nearly 13.63% and in bottom line of 23.35%. The top line CAGR of last Five (5) years, too remained fairly healthy at 30.76%.

Strengthening of quality product basket, intensifying and further enlarging distribution reach with noteworthy visibility, is expected to help sustain growth model to outpace general industry growth rate.

- 1 STRATEGIC LEADERSHIP
- 2 BRAND 'CERA'
- 3 PRODUCT BASKET
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- 5 PRODUCTION EFFICIENCIES
- 6 COST MANAGEMENT
- 7 PRODUCT QUALITY

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- 9 PRODUCT POSITIONING & PREMIUMISATION
- 10 ENHANCING DISTRIBUTION REACH
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- 12 DEBT FREE STRUCTURE
- 13 WORKING CAPITAL
- 14 NEW INITIATIVES

These help us to balance

Growth and Margins





1

STRATEGIC LEADERSHIP



The leadership that has ethical values to inspire trust with straight forward but courageous and imaginative action plans based on good values of honesty and integrity.

The management skills of decision making with enterprising temperament are true characteristics that go to build the organization.

'CERA' is blessed with all these traits..!

The efficient board of Directors led by Mr. Vikram Somany - the CMD, a born entrepreneur; ably assisted by Mr. S C Kothari as CEO, a veteran of sanitary ware industry and Mr. Atul Sanghvi as Executive Director, a marketing and management wizard, Ms Deepshkha Khaitan holding degree in economics and law and Mr Bharat Mody as Strategic Advisor, a senior CA and law graduate with considerable of experience in corporate affairs including general management and value creation who have together successfully built the organization on ethics and good values.

Successful organizations can only be built only with visionary leadership.



2 BRAND CERA The brand that one can rely

Brand 'CERA' is one of the main pillars on which its growth plan rests.

As part of its value system, the company believes in exceeding expectation by achieving benchmark in transparency, reliability and integrity with disciplined and customer focused approach. We have always been striving for excellence through product innovativeness. We deliver what we promise.

OUR USER CUSTOMERS HAVE FOUND THIS TRAIT IN US!

The entire credibility of product quality moves around how good the brand is perceived. The brand perception for 'CERA' has been continuously on a rise. Brand signifies that the product specifications are uniform. The product quality one can rely on consistent basis. The level of

customer satisfaction rests on Price and Value that conforms to high class quality standards across product range. All these backed up by responsible attitudes.

'CERA' over a period of times has passed all these many tests to emerge as one of the most reliable brands in its product category.

With Bollywood celebrity Miss Sonam Kapoor – the brand ambassador for the company, the brand has become more visible over past few years that too with a cautiously controlled outlay on media and advertisement expenses. Company's efforts to garner share in premium segment with single brand too, has been acknowledged by the industry.

Yes, these all contribute to the -
'BRAND YOU CAN RELY!'

3

PRODUCT BASKET

'CERA', way back in 1980 began its journey as purely a sanitaryware manufacturing company.

The company for the first time and so early in those days came out with a concept – 'Your Bathroom is a Room too !' - identified the bathroom as high potential business possibilities and beyond only sanitaryware.

Over the years, the need was felt to enlarge the product basket. The objective is to garner larger share of the bathroom products and help the company to grow faster.

With synergy in terms of end-users and almost same distribution channel, the company cautiously ventured in a phased manner into other products such as Faucets and Tiles besides lifestyle range of products.

Versatile stylist designs backed up by introduction of innovative manoeuvrability in faucets have helped the company establishing as one of the major force.

Riding high on established brand image and to fall in line with new business equations with number bathroom being used more as business matrix rather than number of sanitary ware or faucet ware per bathroom, company also entered in the business of Tiles.

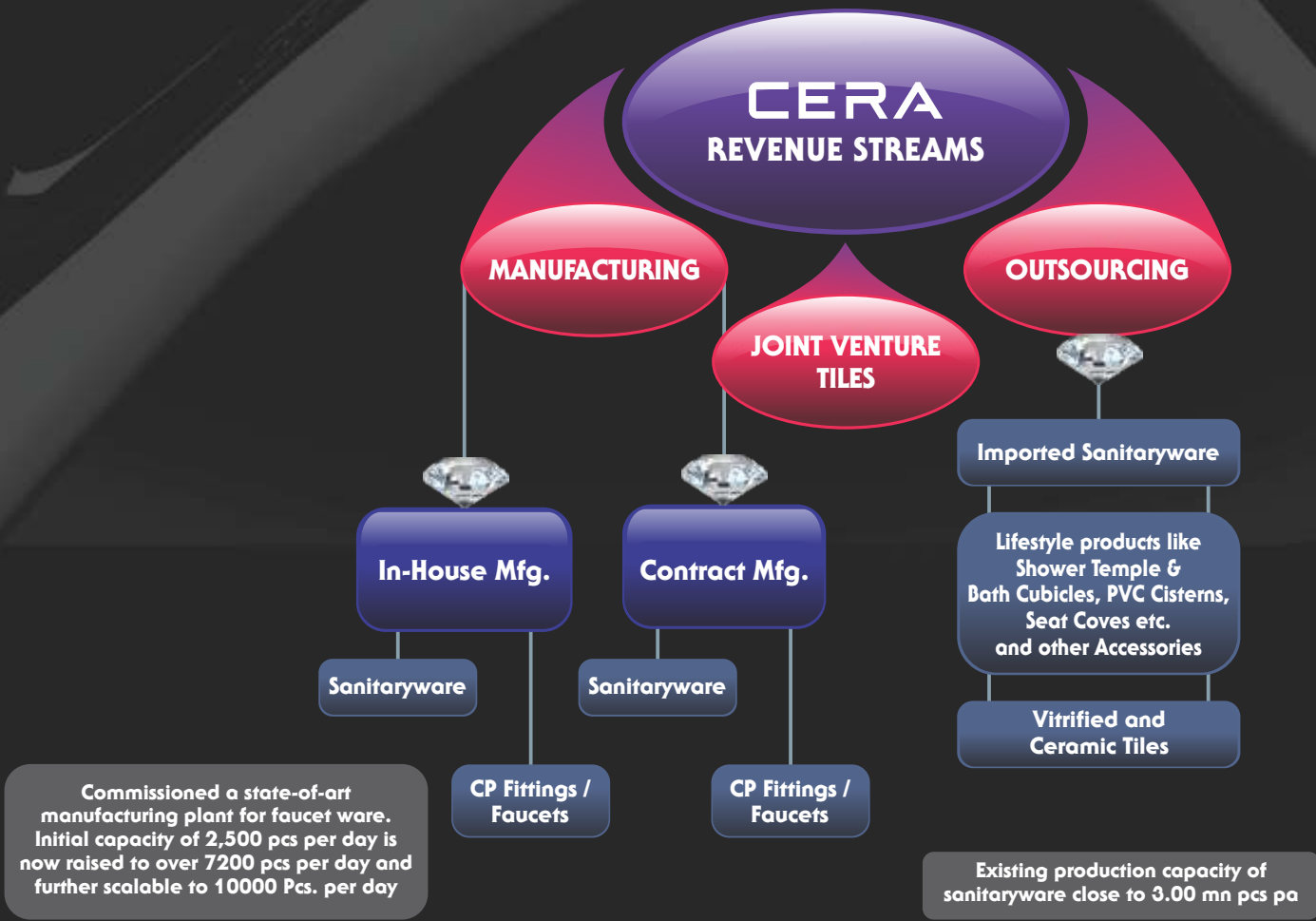
After testing the water and initially relying on 'Outsourcing' business model for tiles business, the company cautiously has stepped up into JV business model at a more favourable location to garner larger benefits on freight cost.

With all collective efforts and composite product basket, the company has been able to gather much more competitive strengths to sustain growth in cyclical and at times even volatile realty market.



4 REVENUE STREAMS

Revenue stream is largely based on business model perceived by 'CERA'.
 An optimal mix of 'manufacturing' and 'outsourcing' of products keeping in mind different contributory margins.
 A new initiative during FY 2015-16 is taken to enter into JV with controlling interest for manufacturing tiles.





5

PRODUCTION EFFICIENCIES

Production efficiencies or productivity is of vital concern at manufacturing operations. The EBDITA margins are greatly influenced with change in productivity.

This area therefore is of a high critical relevance to sustainable margins. CERA management has never undermined its due importance and constantly endeavours to remain extremely vigilant.

The use of Robotic technology, 3 D Printers, computer aided new technology and system integration are some of ongoing preventive measures in vogue at manufacturing processes not only help controlling consistency in quality but also help enhancing productivity.

The largest manufacturing plant at one location has its inherent and innumerable cost management advantages.

The rationalization of manufacturing overheads has emerged as one of the key cost control measures. It not only neutralizes the cost of relatively higher freight to feed market across pan India but more than this has resulted into cost savings.

ENERGY, GAS AND POWER

Energy efficient firing Kiln

Firing kilns installed in sanitaryware division have its base of technology from Europe or Australia. One of the major criteria of selection is efficiency and energy cost.

Energy – Gas and Power

Availability of Natural Gas

Natural Gas is available to the company at APM - Administered Price Mechanism from some of the isolated wells. This is a fairly long term arrangement.

The company, for years, has been taking advantage of alternative sources of energy to support its cost control measures. As part of Green Initiatives, company, during FY 2014-15, has further added two Wind Turbine Generators having 4.00 MW capacity each taking the total tally of wind mills to 20 generating total 11.825 MW power generation.

Additionally, company has taken unprecedented initiative to go for Rooftop Solar Power generation plant for captive use, a 1.00 MW plant to supplement power generation with alternative energy source.

With this, the company is almost self sufficient in generating its own power requirements





7

PRODUCT QUALITY



Investment in Technology is what 'CERA' thrives at.

Following international ISO standards on quality, environment and safety standards - some of the benchmark achievements in early stages are few of many 'Firsts' that CERA has.

Initiative to form 'Quality Circles' for awareness that percolates to the deepest of the roots in manufacturing process layers with skilled and semi-skilled work force backed up by ongoing training to improvise further are steps in positive direction and help building responsible attitudes.

The established manufacturing process parameters with ongoing product development efforts, use of latest technology, experienced team of senior management and skilled supervisory staff have taken 'CERA' to achieve some noteworthy benchmarks in consistently producing high class quality products.

Commissioned a state-of-art manufacturing plant for faucet ware. Initial capacity of 2,500 pcs. per day is now raised to over 7200 pcs. per day. This is further scalable to 10000 pcs. per day.

Existing production capacity of sanitary ware close to 3.00 mn pcs pa CERA also entered into JV business model for manufacturing of tiles at Dist Nellore in Andhra Pradesh with initial capacity of 10000 sq.mtrs. per day. The encouraging part is that the capacity of manufacturing tiles can be scaled up at least three times at the same location.

A combination of in-house manufacturing as well as contract manufacturing with 'outsourcing' and under JV Arrangement - This strategy in turn offers flexibility in weathering potential cyclical volatility.

However, 'CERA' focuses more on in-house capacity building for its core product sanitaryware. Casting facilities in green ware; mould making for attractive designs & efficient firing kiln are of international standards in sanitaryware.

The faucet ware plant is equipped with VMC's / CNC, high tech energy saving induction furnaces, gravity die-casting machines, high pressure testing facilities, auto polishing machines, robotic controlled grinding machines, auto-plating nickel-chrome plant and some special purpose machines to produce quality conforming products.





CERA GROWTH TRAJECTORY

Capacity expansion in SW from 0.3 mn pcs. pa in 1979-80 to 3.0 mn pcs. pa achieved in 2014-15



2015-16

Entered into Joint Venture arrangements with Anjani Tiles Ltd for manufacturing Tiles at Dist Nellore Andhra Pradesh with initial capacity of 10000 sq mtrs. Per day. CERA has controlling interest of 51% in the JV.

2010-11 & 2014-15

Successfully commissioned manufacturing plant for Faucet ware with initial capacity of 2500 pcs. per day. This is raised to 7200 pcs. per day and further scalable to 10,000 pcs. per day.

2007-08

Installed Captive Power Plant (gas based) at Kadi and wind turbine generator for ₹312 Mn and increased capacity to 20,00,000 pcs. pa.

2006-07

Undertook expansion of ₹127 Mn. And increased capacity to 13,75,000 pcs. pa.

2005-06

Undertook expansion of ₹140 Mn. And started the concept of Bath Studios with the first Studio at Ahmedabad.

2001-02

Demerger of Madhusudan Industries and transfer of business of Ceramic division to form CERA Sanitaryware Ltd.

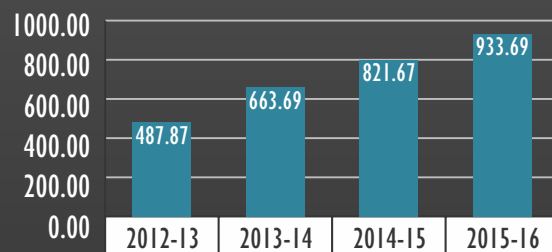
1995-96

The company established its outsourcing division with the initial turnover of ₹13.72 Mn. Manufacturing capacity increased to 12,50,000 pcs pa.

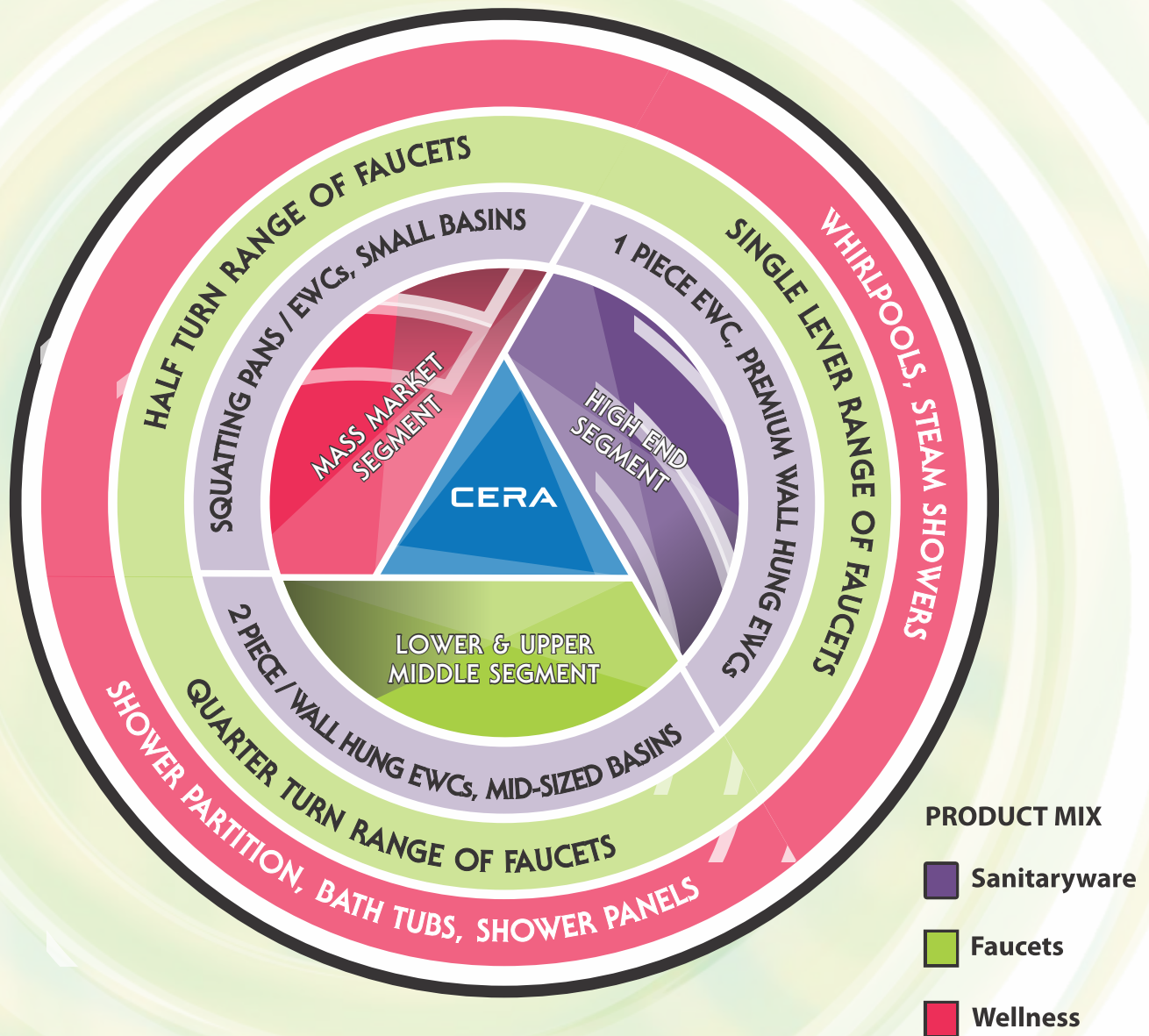
1979-80

Incorporation as Madhusudan Ceramics, a Unit of Madhusudan Industries Ltd, consisting of Oil division and Ceramic division with capacity of 3,00,000 pcs. Pa

Net Sales (₹ in Crores)



Over the decades, the Company has progressed from a sanitaryware manufacturer to a provider of Bathroom and Kitchen solutions by Capitalizing on a strong brand image.

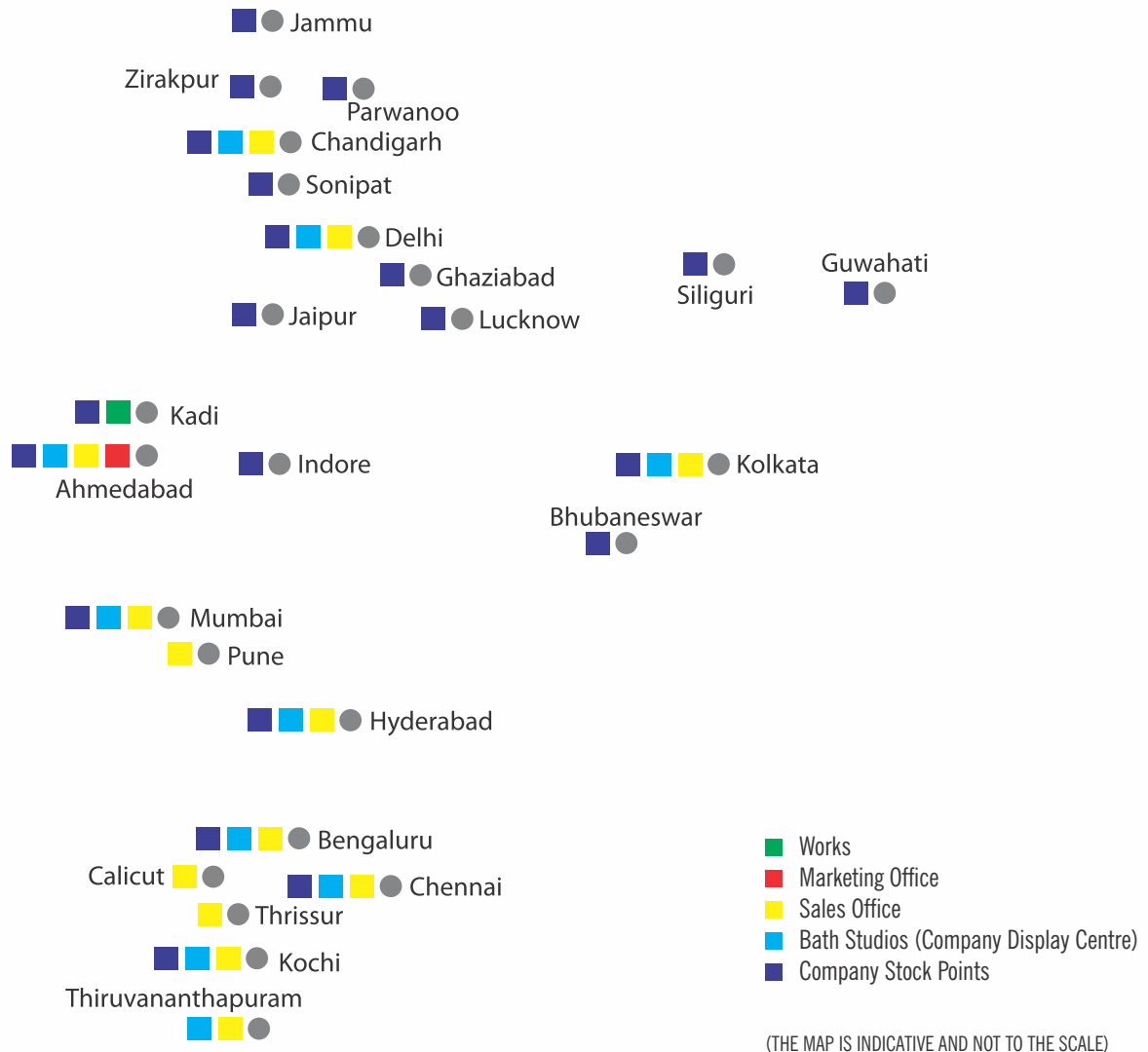


Despite only a single brand, 'CERA' products have significant acknowledgment for its product portfolio and its presence across the all market segments; be it for the elite class in premium range or for upper upper and upper lower in middle class or in mass market.

The vision is to find 'CERA' in every home!

The customer satisfaction for his spending is close to our heart as we offer Value for Money in every product category.

The company steadily has been enhancing its presence in premium segment while keeping its feet firmly grounded in mass market as well as for upper and lower middle range segments.



INDEED OUR NATIONAL PRESENCE

The strong and wide spread marketing and distribution channel has been a major contributing factor to successfully introduce new and innovative products in the market

'CERA' enjoys a strong distribution network with close to 1500 Distributors / dealers (authorized stockiest) and 15,000 retailers.

To supplement the distribution channel, the company has more than 20 major stock points all over India. Cera also has 10 zonal offices, service offices and 10 studios across the country.

A major marketing of expanding dealers / retailers network is an ongoing process which intensifies Cera's presence in already strong territories besides entering newer territories where its products have acknowledged acceptance.



11

OPTIMIZATION



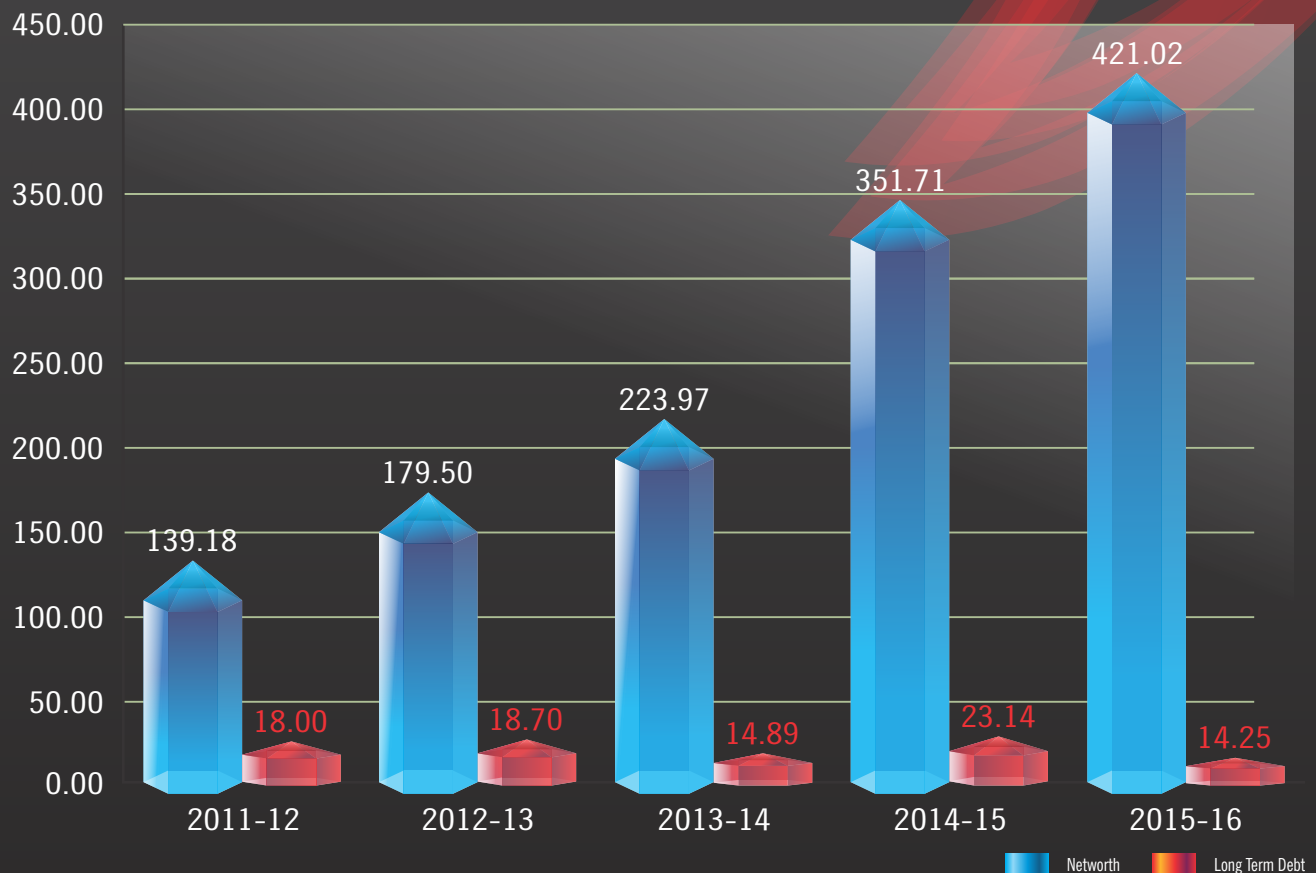
The entire business strategies are resting on this concept. There has been a constant endeavour to optimize every revenue centre be it the products; territories or the dealers. The concept of optimization gets further expanded with managerial personnel when KRAs are drawn to get what best they can deliver to the organization with matching remuneration policies to motivate them. The asset utilization are optimized to make full use of the capacities built. The working capital cycle is constantly monitored with an eagle's eye on inventory and debtors and consequent use of the funds to have one of best return on share holders' funds.



12 DEBT-FREE STRUCTURE

'CERA', with its wholesome conservative policies, has judiciously used dose of long term debts as and when needed. This in turn helped achieving what perhaps many Indian conglomerates would really look forward to settle at - 'Virtually a debt free company'! In fact your company enjoys comfort of some money lying in bank deposits or liquid funds. Ideally, this may become handy in unforeseen rainy days or even become helpful in catching up with possibilities of some favorable business opportunities at appropriate time.

Majorly, over the years, the CAPEX has been funded with internal accruals.



13

WORKING CAPITAL

The Working Capital cycle is constantly monitored with an eagle's eye on Inventory and Receivable Management...

CERA CHAIRMAN'S CLUB

This is a novel concept for the entire industry.

The simple rationale behind this initiative and mooted this concept of forming 'Cera Chairman's Club' is to improve Interaction with channel partners and resultantly to help company knowing ground realities far more better. Eventually this to help upgrading and modifying business plans to suit market conditions from strategic and product mix perspectives; intensifying distribution reach further with larger penetration besides help percolating CERA's business philosophy down the line to all channel partners and ultimately to the Customers.

A performance based entry would make the top nationwide 50 distributors - dealers eligible to find their berth in this elite 'Chairman's club' as they stand to benefit quite a bit; would have direct access to the management team for guidance to the business; receive priorities in deliveries and at times getting performance based better deals from the company which generate healthy competition!

A workable model is created comprising of senior management team to ensure healthy interactions and successful implementation newer business ideas to establish 'Connect' at every level with clarity and commitments. These efforts, when done with continuity, is expected to strengthens loyalty in entire distribution channel.

For distributors and dealers it is a matter of reorganization.





A NEW SHOWCASE TO A WORLD OF EXCELLENCE

CERA opens CERA Style Studio in Kolkata

A touch and feel display centre 'CERA Style Studio' has been launched by CERA in Kolkata at Topsia Crossing. The studio is spread over 4,500 square feet, showcasing the latest range of sanitary ware, faucets, tiles and kitchen sinks along with our complete span of wellness products.





SAP - ERP

Rather than viewing IT as a set of tools necessary for doing business, CERA is looking to gain value from IT investments. It is focusing on business process re-engineering and optimizing support processes and on driving IT to enabled businesses processes and improve its overall efficiencies in operations.

SAP - ERP, has reasonably high level of standardization, a minimum of application and solution installation with limited system customization help CERA to establish and drive effective control of IT and business costs.

As the company is growing rapidly, the need is felt for making the systems to be 'fail-safe'. After thorough evaluation, it was decided to implement SAP.

THE INNOVATIVENESS...



Product Innovations that improve manoeuvrability, functional ease and also reduces product cost is a key to success. When these innovative efforts get reflected into elegant designs and styles it adds more flavour.

CERA's Water Saving Mission Continues...

CERA is known for its innovation since its inception. Almost 15 years back, when CERA introduced twin-flush in India, it was a revolutionary concept for water-saving. Today, almost 100% of one-piece and two-piece WCs from every manufacturer come with twin-flush option. That was CERA's truly trendsetting innovation.



E - Commerce

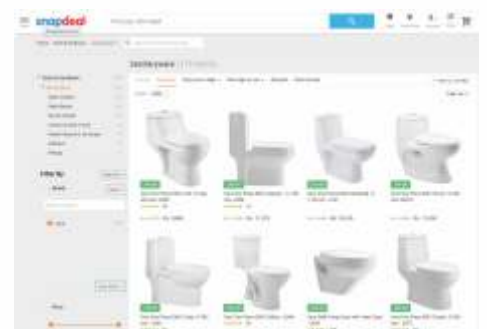
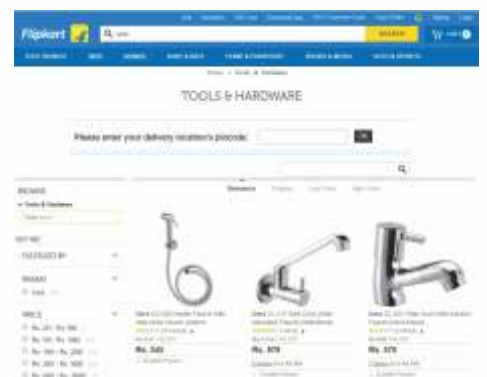
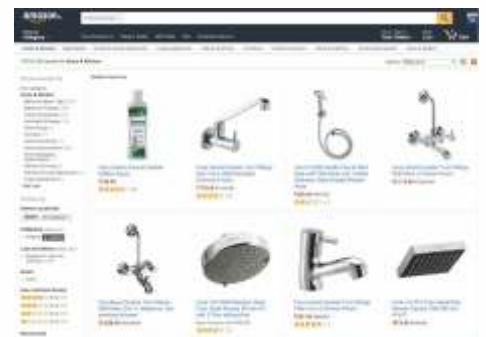


The buying habits of Indian customers are changing more so in consumer goods. 'On-Line' trade has done phenomenally good these days with growing interests in quite a few product categories.

CERA's products are classified under consumer durables and fits in to the category of 'E Commerce' business platform. Serious efforts are being worked out to structure modality in providing a wide range of products across the overcoming geographical barriers with service supports.

CERA is the first to initiate and provide on its website 'On-line' support to a concept - 'DESIGN YOUR OWN BATHROOM' with 3-D designing concept and has found favors with many end user customers.

CERA is currently using the E Com platforms such as Amazon, Snap-deal and Flip-kart to sell its products. These platforms, more than generating sales volumes, offer good visibility to the brand.





ANJANI TILES LTD.

Cera, as policy, has decided to ride high on its strong 'Brand' image and perceptions, more so in case of product such as TILES where manufacturing is well supported by trusted international technology.

The industry has witnessed, for many years, a proven business model of Joint Venture - 'JV' and the same is successfully practiced by industry leaders in this country.

After testing the market for more than three consecutive years with encouraging growth on pure 'outsourcing' business model, the management is convinced that the base needs to be enlarged with manufacturing and capacity building under its control.

'Cera' found promoters of Anjani Tiles a perfect set of people to become 'JV' partners who possess solid experience and capability in manufacturing tiles of every category. 'CERA' has settled with controlling interest in ATL leaving operational manufacturing responsibility with the other partner as it would buy out entire production to be marketed under brand CERA thru its wide spread distribution network.

The plant is commissioned for commercial production on April 01, 2016 with initial capacity of 10,000 sq mtrs. per day and is located at Dist Nellore in Andhra Pradesh more close to Chennai as primarily it would help serving southern market with many commercial advantages.

What is more encouraging is the scalability at the same location.



The rationale for a tie-up with ISVEA is to add flavor in a step towards product premiumization more so with Sanitaryware to help enhance CERA's strengths further to combat competition from global players. With the advent of several MNC brands, the luxury segment of sanitary ware was being captured by them. It was, therefore, necessary for CERA to protect its turf in the luxury arena to bring in an international brand, and thus ISVEA was brought in.

ISVEA is a 55 year old Italian luxury designer sanitary ware and complements CERA perfectly by competing with other international brands.

"The brand, which has successfully passed through many stages, and symbolized by the Phoenix, telling us that what we are searching for at far away distances is actually very close, inside us, and representing rejuvenation - aiming to offer a completely different bathroom experience - ISVEA."

"The Italian ISVEA has been founded in 1962, in the surroundings of Eusanio Del Sangro at a distance of 200 km to Rome. It has started production as the 7th vitrified ceramic company of Italy, which is the world leader in the field of ceramics, and has continued its activities as a typical Italian producer.

As a brand, especially widespread in Southern Italy, it has found a place among the top 10 producers in the market. - ISVEA"

Cera is sole distributors in India with right to select exclusive designs from wide range of product mix.



FINANCIAL BRAND

INVESTOR'S RELATION AND CREDIBLE BUSINESS STRATEGIES

THE VISION THAT CREATES SUSTAINABLE VALUE..

SOME INVESTMENTS ARE FOREVER !!

The Four 'C's that depict long term investments that create wealth are found in diamonds.



'CLARITY'
The Clarity in Vision



'CUT' -
The Cutting Edge over Competition



'CARAT' - One of the best Mid-sized
building material companies with
strong fundamentals



'COLOR' -
The Transparency





Needless to add, 'CERA' now is a preferred investment destination for many years in sanitary ware industry and also in Building Material space especially in domestic bourses with clarity, cut, carats and color.

'CERA', a product brand in its own right, has now evolved into a financial brand too with its consistent record of higher earnings.

PAT also the EPS. Noteworthy it is; every important financial parameter remained almost steady with whopping growth of around 13.63 % over FY 2014-15 in the top line and of 23% in the bottom line!

The Credible Business Plan - Leading towards Growth & Value Creation.



THE MACRO VIEW OF ECONOMY

PROSPECTS

The sanitary ware industry as a whole is very likely to get a tremendous boost with Prime Minister's drive on much needed improvement in sanitation conditions across the nation. Initially the unorganized sector should benefit more than the organized sector players. As the momentum picks up the dearth of enough capacity would force the drive to use better product.

The corporate India under its mandatory CSR activities is expected to take a lot more initiative to support the Prime Minister's ambitious drive.

The plan to build 100 smart cities across India will offer a lot more opportunities to the organized payers.

'CERA' slowly has been building capacities to meet with challenging demand fulfilment situations.

Business Standard – New Delhi

21 March, 2016

RAISING A TOAST TO INDIA INC'S TOP ACHIEVERS:

Celebrating the spirit of entrepreneurship

The 16th edition of 'The Business Standard Annual Award – 2015', gave a unique opportunity for India INC to discuss balance between development, security needs and environment conservation. Not only the leaders of today, but the leaders of tomorrow shared the dais as well. The winners were decided by a distinguished jury led by G N Bajpai, former chairman of the Securities and Exchange Board of India. The others in the jury were IL&FS director & group CIO Vibhav Kapoor, IndAsia Fund Advisors chairman Pradip Shah and Ashvin Parekh Advisory Services LLP managing partner Ashvin Parekh. The jury bestowed CERA Sanitaryware with Star SME award at the BS Awards.

Business Standard [Link: http://www.business-standard.com/article/companies/bs-awards-2014-and-the-winners-are-%E2%80%A6-115032401039_1.html]

Mint

23 February, 2016

Infra sector: issues and expect

The Government has increased public investment in infrastructure, announced measures to address issues impeding the sector, such as access to long-term funding, inequitable risk allocation in public-private partnership (PPP) projects & adequate institutional capacity. Business Sectors like Ports, Roads, Aviation, Railways, etc. will be the catalyst for the much needed boost for Infrastructure.

NDA Government has been successful in identifying and formulating long-term and visionary infrastructure development initiatives, addressing languishing projects, and pushing certain policy initiatives in areas like coastal shipping, aviation and inland waterways.

The Times of India – New Delhi

12 March, 2016

High-end toilets at 94 sites

High-end toilet complexes will be developed at 94 sites, tenders for design-build-operate-and-transfer (DBOT) basis project are to be floated soon. South Corporation will only provide the land; private agencies will bear the cost of developing these toilets and maintain them for 10 years. 300 Sq. Ft. at each of the complexes will also be earmarked for advertisements.

The Economic Times [Gujarati] - Mumbai

15 March, 2016

Real Estate Bill to boost FDI, bring in more transparency

The Realty sector is hopeful about 'Real Estate Bill', as the changes in the legislations is expected to bring momentum to the real estate sector. The legislation would bring more transparency, strict monitoring and timely revamp of real estate sector in India. The biggest beneficiaries would be some well-established property developers like Oberoi Realty, Prestige Estates & Godrej Properties, who compete in the Unorganised Market. They would be the first ones to recover from the shock.

स्वच्छ भारत मिशन



SWACHH BHARAT ABHIYAN AS AN OPPORTUNITY



GROWTH FOR THE INDUSTRY IN GENERAL

Indian Council of Sanitaryware Manufacturers (INCOSAMA) welcomes the Prime Minister's vision of Swachh Bharat. Together with its member partners INCOSAMA pledges its support to translate this vision into reality and took a step forward on the auspicious occasion of Mahatma Gandhi's birth anniversary.

The Hindu/ Deccan herald/ Financial Express

26 February, 2016

What it Means – The essentials of a good CSR programme

Swachh Bharat Abhiyaan, launched with much fanfare last year, seems to be slowing down with every passing day. The most of the 122 lakh toilets, still lie unused, raising questions on the very basic element. INR 1917 Cr. have been collected from the citizens & corporates, by the means of Swachh Bharat Cess. The article outlines requisite characters for a good CSR programme.

Business Connect – CSR in alignment with core business interests of the organisation; Brand Architecture – CSR must create impact on the brand value; Local Relevance – Local areas specific schemes and plans, while checking its continuity; Effective Measuring – an effective system of monitoring grants & infrastructure; Dedicated CSR Professionals to execute etc.

Reliance has emerged as the top company in terms of corporate social responsibility (CSR), having spent over INR 760 crore, out of the total of 460 listed firms. RIL was followed by ONGC, Infosys, TCS and ITC. Other companies in the top 10 include NTPC, NMDC, Tata Steel, Oil India and Wipro. Other companies that managed in the top 20 are Indian Oil, BHEL, Mahindra & Mahindra, Larsen & Toubro, GAIL and Hindustan Zinc.

One of the big challenge before the government is the "deeply entrenched norms and facilitating behavioural change."

- The Hindu [Link: <http://www.thehindu.com/news/cities/mumbai/business/the-essentials-of-a-good-csr-programme/article8283444.ece>]
- Deccan Herald [Link: <http://www.deccanherald.com/content/531299/use-maintain-toilets-village-swachh.html>]
- The Financial Express [Link: <http://epaper.financialexpress.com/733272/Ahmedabad/27-February,-2016#page/3/1>]

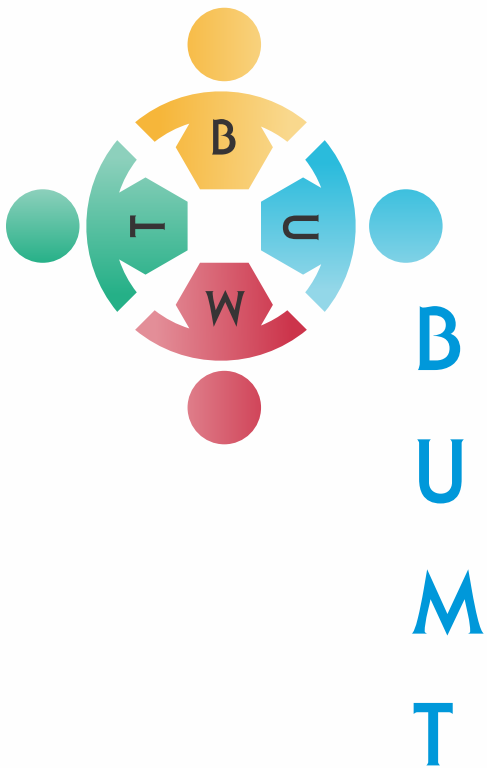
Mint

04 March, 2016

CSR MISSION - How corporate India tackled the sanitation challenge

Created in Swachh Bharat Abhiyaan, most of the 122 lakh toilets, still lie unused, raising questions on the very basic element. INR 1917 Cr. have been collected from the citizens & corporates, by the means of Swachh Bharat Cess.

One of the big challenge before the initiative is the 'deeply entrenched norms and facilitating behavioural change.' The need to find sanitation solutions which address the whole value chain—from building physical structure, advocating the hygiene benefits, changing behaviour, waste management and maintenance. CSR in alignment with core business interests of the organisation; impact on the brand value; Local Relevance and specific schemes and plans, Effective system of monitoring grants & infrastructure; Dedicated CSR Professionals to execute etc.



Build : Build adequate infrastructure for Sanitation

Use : Promote utilization and behaviour change

Maintain : Maintain Infrastructure, Cleanliness and Safety

Treat : Process the sludge generated

SANITATION PLUS

"Swachh Bharat' on way to switch to a broader understanding of what will make India truly Swachh."

Nearly 18 months have passed since Prime Minister Narendra Modi launched 'Swachh Bharat' Abhiyan on October 02, 2014. Riding high on this momentum, the nation has an unprecedented discourse from vast media campaigns to the Swachh Bharat Cess on services is welcome move to build greater momentum around a broader understanding of what will make India truly Swachh.

Indeed the Govt. has clearly emphasized focus on behaviour change and the usage of toilet. The infrastructure creation is a pre-requisite as we move forward, albeit away from merely the provision of toilets to toilets that are used, maintained and where all human waste is safely treated and disposed. There is a need to build greater momentum around a broader understanding of what will make India truly Swachh.

We now have a historic opportunity to address the problem of sanitation in its entirety and use the momentum generated by SBM to realize the ambitions of sustainable sanitation.

There is significant discussion around engaging corporate India through the SBM. Many companies have come forward and have contributed particularly through the infrastructure creation. Government seems to be committed to provide enabling framework to create business model for sanitation that is economically viable, socially acceptable and environmentally sound by harnessing the expertise of the corporate across value chain.



ACHIEVING NEARLY
SELF-SUFFICIENCY IN
POWER CONSUMPTION WITH
WIND POWER AND
SOLAR POWER GENERATION





PREFERRED EMPLOYERS

We feel proud when we hear –
'Once a Ceraite; Always a Ceraite'

Faced with the economical dilemma of the times, the thrust has been on talent acquisition and improving the mind set in the industry. The Company has emerged as an equal opportunity and progressive employer in the industry. On the whole, all the efforts have been towards aligning your Company with the global norms, with a mix of progressive and welfare activities viz. training and development, motivation, re-skilling and others so that Company is seen as a preferred employer in the industry.

The Company continues to invest in training and development of its employees and has been organizing various programs from time to time.

GOVERNANCE & TRANSPARENCY

'CERA' and its entire management team firmly believes and practices philosophy of transparency. Be it a customer, trade partners, stakeholders, bankers or the Govt., sharing of every legitimate information is done with a view to enhance credibility and foster confidence.

An in-house 'Fair Business Practice' mechanism prevails across the organization. This is aimed to provide an effective solution to issues that may have situational importance. Annual accounts are drawn as per regulatory authorities guide lines and in accordance with accounting standards.



AWARDS



CRISIL INDEPENDENT EQUITY RESEARCH (IER)



Some noteworthy extracts;

“CRISIL Research has assigned a fundamental grade of 4/5 as well 4/5 for Valuation to Cera Sanitaryware Ltd. on the back of a wide appeal for the CERA brand, established position in the organized sanitary ware industry, an extensive distribution network and stable cash flows.

CRISIL expects the sanitary ware business to grow at 20% CAGR in the next two-three years. Simultaneously, entry into faucet ware appears positive; as it provides a scalable growth opportunity.”

“ Expansion in its product suite has benefited CERA as tiles and faucets powered the growth engine amidst moderation in sanitaryware... these segments are expected to fuel growth even going forward.”

BRAND
AMBASSADOR





EXCELLENCE
IS IN THE DETAIL



1222 SYL



1222 SOR



1222 SRD



1222 SGY



1222 SBK



1222 SWT



CERA

COMPANY
OVERVIEW



STYLE NOW THINK OUT OF THE BOX



Design that inspires awe

CERA, synonymous with stylish ranges & innovative designs, reflects this thought with a new logo.

CERA, the creator of imaginative bathroom solutions, starts on an exciting new journey, where the spirit of freshness crafts waves of spectacular style.

CERA, Same innovative spirit. Fresh new look.



TRAILBLAZING NEW AVENUES

CERA' is a leading ISO 9001, ISO 14001 and OHSAS 18001 compliant sanitary ware and faucet ware manufacturing Company, with plant located in Kadi, District Mehsana Gujarat.

- LAUNCHED IN 1980, 'CERA' IS A PIONEER in the Sanitaryware segment in India. The first Sanitaryware Company to use natural gas, 'CERA' has been on the forefront of launching a versatile colour range and introducing the bath suite concept. It also launched innovative designs and water-saving products.
- 'CERA', in 2011-12 ventured into commissioning its state-of-the-art faucet ware manufacturing facility where only quality products, new designs and innovation are the focal points.
- During last quarter of FY 2012-13, 'CERA' forayed into ceramic, vitrified and digital tiles for floor as well as for walls.
- 'CERA' has been steadfastly moving towards its mission of becoming a force to be reckoned in the total bathroom solution providers.
- Encouraged by market response, during FY 2014-15, CERA raised its manufacturing capacity to 3.00 mn pcs p.a. from 2.70 mn pcs. During FY 2014-15, this increased capacity utilization almost reached to 95%+.
- The same holds good for Faucet ware also. CERA now has built the capacity to produce 7200 pcs. per day from current manufacturing capacity of 2500 pcs per day. This is further scalable to 10000 pcs per day.
- 'CERA' entered into JV arrangement with controlling interest in Anjani Tiles Ltd for manufacturing high quality tiles. Current manufacturing capacity of 2500 pcs per day. This is further scalable to 10000 pcs. per day.

DETERMINED TO CHANGE EQUATIONS

The Company had made a modest beginning in early 80's by putting up a manufacturing facility of 0.3 million pieces p.a. of Sanitary ware. Over the years, the manufacturing capacity was raised to 2.00 million pieces p.a.

During FY 2012-13, 'CERA' further raised its production capacity of sanitary ware up to 2.7 million pcs. per annum. The company has been experimenting in more than one way involving technological advancement and improvising process parameters to optimize so to help achieve a well balanced 'Plant Capacity' to raise this capacity to 3.00 million pcs per annum and possibly beyond this... say 3.3 mn pcs p.a.

As for the faucet ware, besides improvement in product designs with matching quality standards using its full capacity production of nearly 2500 pcs per day was taken up as challenge. The results of these efforts the capacity utilization is nearing 100 % during fiscal year FY 2013-14. The size of the market of faucet ware is almost three times the size of the sanitary ware; albeit with relatively low margins. The company during 2014-15 has raised the capacity to 7200 pcs. per day. The product synergy, brand and distribution network are some of cannons on which the company is driving high to sustain reasonable but better than average industry growth to support financial results. Over the decades, the Company has progressed from a Sanitaryware manufacturer to a provider of Bathroom solutions by capitalizing on a strong brand image.



SUSTAINING GROWTH MODEL

Being an entrepreneur with distinct characteristics; 'CERA' management is aiming to enhance market share across a time-frame of the next 3 to 5 years as the company has the urge to become the leader in the industry. The management is confident that the company has matching strengths.

The right kind of product basket; distribution reach; emphasis on consistent quality and innovativeness; responsible attitudes; a well balanced mix of revenue stream between own manufacturing and outsourcing AND above all an urge to become a market leader in product category are some of the fundamentals on which the entire business model has become growth-prone.

The right strategies; a well structured business plan and well defined KRAs (key Result Areas) are at the foundation on which CERA's business model rests.



OUR FOCUS

'CERA', at current manufacturing location, the company has been continuously striving to build a world class technology base in the sanitaryware industry; with well-established process parameters and stringent quality norms. The efforts are further extended in building and strengthening a dependable brand image, as we are known for excellence through product quality, pioneer in innovativeness and proactive in servicing.

The brand that essentially caters to customers' needs across length and breadth of market in the segments of Sanitaryware, Faucet ware, and Life style products, the Company has made stable arrangements in China and other parts of South- East Asia for complete outsourcing of some of the premium range of Sanitary ware and life style bath ware products, which would complement its domestic production. These products are manufactured by Chinese / South-East Asian vendors under CERA's stringent quality norms as they are marketed and serviced under banner of brand 'CERA'.

Leveraging on strong brand image; enlargement of product basket; formatting a revenue model with emphasis on product-outsourcing backed up by stringent quality norms; an eagle eye on 'above industry average ROE' and empowering the human talent are some of the focussed areas as identified for focussed efforts.

MOVING FORWARD WITH THE SPIRIT OF EXCELLENCE



FINANCIAL FINESSE

A FRIEND IN NEED is a FRIEND INDEED,
this is an old saying;

INTERNAL AND EXTERNAL STAKEHOLDERS

'CERA' has successfully created a remarkable fulfilment of customers' expectations and resultant brand acceptance, which we continuously strive to achieve. We believe in proliferating by way of technology, high quality standards and sustainable business expansion. Our work environment and support to retail establishments in nationwide distribution network incorporate spatial planning to create favorable ambience for every home as well as business. This has become possible with dedicated continuous support from every stakeholder, be it internal or external.

BUSINESS PLAN & STRATEGIES

An elaborate business plan, strong execution abilities, adaptability to market dynamics, strict monitoring and an eagle's eye right on the target over contributory factors that has bearing over growth vis-a-vis sustainable margins – just to mention a few that go to create and build a strong long term.



5 YEARS' HISTORICAL – WHAT IS ON THE ANVIL

5 YEAR FINANCIAL OVERVIEW

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Net Income	319.39	487.87	663.69	821.67	933.69
Other Income	6.85	8.99	6.15	6.58	9.97
Total Income	326.24	496.86	669.84	828.25	943.66
EBITDA (excluding other Income)	53.36	75.33	94.94	117.54	141.28
Depreciation	7.71	9.42	12.25	15.46	16.32
Finance Charges	4.00	7.09	6.44	7.73	5.46
Profit Before Tax	48.50	67.81	82.40	100.93	129.46
Profit After Tax and minority interest	32.04	46.20	51.91	67.66	83.46

Financial Position

[Rs. In Crore (except number of shares)]

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Equity Share Capital	6.33	6.33	6.33	6.50	6.50
Reserve and Surplus	132.85	173.17	217.64	345.21	414.52
Networth	139.18	179.50	223.97	351.71	421.02
Gross Block	132.41	175.29	211.68	287.92	310.53
Net Block (incl. Capital WIP)	101.21	129.38	156.90	222.34	230.04
Investments	1.09	1.38	12.13	47.76	47.47
Cash & Bank Balance	31.30	40.35	30.71	29.53	59.39
Net Current Assets	70.27	86.70	103.35	174.27	224.34
No. of Shares	1,26,54,874	1,26,54,874	1,26,54,874	1,30,05,874	1,30,05,874

Ratios

% (except EPS)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
EBITDA margin	18.85	17.28	15.23	15.11	16.20
PAT margin	10.03	9.47	7.82	8.24	8.94
Return on Capital Employed (ROCE)	26.20	26.98	31.51	25.47	29.14
Return on Net Worth (RONW)	23.03	25.74	23.17	19.24	19.82
Earnings Per Share (in Rs.)	25.32	36.51	41.02	53.36	64.17
Dividend Per Share (in Rs.)	3.00	4.00	5.00	6.25	9*

* Subject to approval from Share Holders in the ensuing Annual General Meeting

NSE Ticker

Trading symbol [CERA]

BSE Ticker

[scrip code 532443] [scrip ID CERASAN]

ISIN No in NSDL & CDSL

INE 739E01017

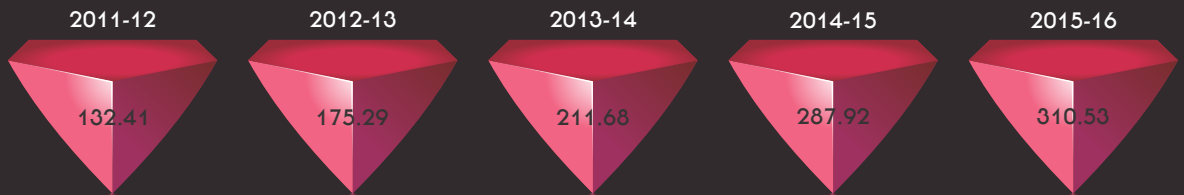
**Net
Income**



**Net
Worth**



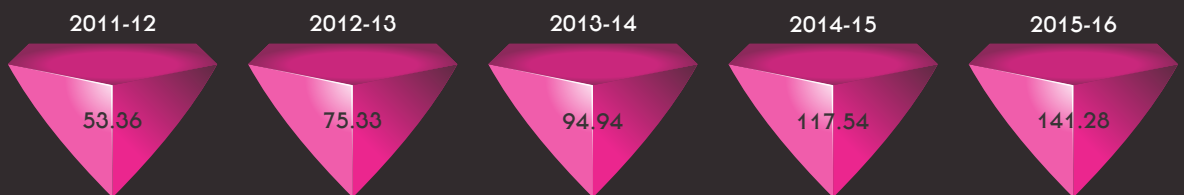
**Gross
Block**



PAT



EBITDA



WHERE WILL CERA POSSIBLY BE IN NEXT 5 YEARS

The Sanitaryware industry is generally growing at average rate of 14-16 per cent, annually. The year under review - FY 2015-16 was exceptionally subdued due to various economic reasons more for the entire realty and construction industry across pan India with growth percentage coming down drastically.

Despite, 'CERA' during FY 2015-16 registered top line growth of around 13.63% amidst subdued business conditions. The efforts are on not only to sustain CAGR last 3 years but also to improve upon.

The trend for 'lifestyle-plus living' is quite upbeat, given the rise in 'disposable incomes' as also higher levels of education. This scenario is expected to sustain for a long period. Despite quite a few foreign brands entering the Indian market, brand 'CERA' enjoys its own niche place in the market, with customer loyalty demonstrated through recall values. 'CERA' is expecting a larger share from the market on the back of the national priority on improvements in sanitation conditions and housing boom. 'CERA' is looking forward to expand its capacities not only in Sanitaryware but also finds good opportunity to do so in Faucet ware as well. Besides this, the enlargement of product basket with emphasis on outsourcing business model and leveraging on a strong brand image as thickening revenue streams is a path charted out for now. With all these in place, it is expected to enhance 'CERA' market penetration across the nation.

What adds to the scenario is that the entire Capex funding has been planned largely with internal accruals generated through our own operations; the balance with support from our existing bankers. This financial structure is expected to lay solid foundations for a much stronger growth in time to come.



EXPANSION & CAPEX FUNDING

As part of our growth strategy, we have chalked out 'Three Year Rolling Plan' of CAPEX of around Rs. 180 Cr.-200 Cr. spread over next three years.

This, essentially is envisaged to be used to add on further manufacturing capacities in Sanitaryware and Faucet ware besides strengthening the brand 'CERA' to help leverage its marketing efforts with other products having synergy. The way pattern of CAPEX funding as planned, is expected to add further values to already existing strong fundamentals.

OUR IDENTITY PACKING PLENTY OF PUNCH

The launch of CERA Studios a decade long ago in different cities, where the consumers, influencers and trade could come, look, touch and feel the entire high-end ranges of CERA has played an immense role in bringing up the brand image of CERA.

The CERA Bath Studio was later renamed as CERA Style Studio, in tune with the new communication strategy. Over a period of time, the need for much larger CERA Style Studios was felt and almost all of them were re-located to more upcoming areas of the city or made bigger in size-starting with the one in Kochi to around 9,000 sq. ft., followed by relocation of Bangalore Style Studio to Indiranagar. The Delhi CERA Style Studio started functioning from an independent building in Gurgaon, while in Mumbai, it was relocated to the Western Suburb on Veera Desai Road in Andheri. The Hyderabad CERA Style Studio doubled its size while the Ahmedabad CERA Style Studio was relocated to a much visible and larger premises in Acropolis Mall, on S.G. Highway. A new such style studio was opened in Kolkata mainly to concentrate focus in Eastern Indian market.



ADDING MORE GLAMOUR TO BRAND CERA

While Bollywood actress Ms. SONAM KAPOOR, fashion icon for the young generation and a well-known celebrity from the film fraternity has been roped in as CERA's brand ambassador to supplement the visibility. The three CERA ads for its sanitaryware, faucets and tiles featuring Ms. SONAM KAPOOR unleashed on satellite television channels has created a flutter.



GOING FAR TO COME CLOSER

'CERA' has a noteworthy nationwide presence for the entire product portfolio.

Over the years, the Company has opened up its own display centres – 'CERA Style Studio' in Ahmedabad, Bengaluru, Chandigarh, Kochi, Hyderabad, Kolkata, Gurgaon, Chennai, Thiruvananthapuram and Mumbai besides it has 'CERA Style Galleries' in Andhra Pradesh, Chandigarh / Haryana / Punjab, Delhi, Gujarat, Karnataka, Kerala, Maharashtra, Tamil Nadu, Uttar Pradesh, Bihar, Goa, Himachal Pradesh, Jammu & Kashmir, Madhya Pradesh, Sikkim, Rajasthan and Telangana.

For CERA, its responsibility does not end by manufacturing quality products. A team of over 120 technicians across India provides prompt after-sales services to its customers. CERA also provides unique support to its customers during the designing phase itself through an interactive website. At CERA's website, customers design their own bathrooms in 2D and 3D, and also can place orders online, a first of its kind initiative in the building material industry.



PRODUCT LINES & BUSINESS

'CERA' has four product lines which majorly contribute to the business and the top line revenue stream :

SANITARYWARE

Though there are no authentic data available, according to reliable sources, the size of Indian market is estimated around Rs. 3500 to Rs. 4000 Crores. Further, the sources indicate that the market in India is growing at steady pace of 8%-12 % annually. Whilst the small producers of sanitaryware from unorganized sectors used to have a larger share of the business, the trend is steadily shifting towards 'branded' products.

CERA' is favourably positioned with its product portfolio in upper - upper and upper - lower segments of the market pyramid. We are one of the three large organized units catering to Indian market and have consistently reported growth exceeding 35 %, much higher than industry standards.

We have a very modern plant located at GIDC Kadi, District, Mehsana, Gujarat. At the current capacity we are manufacturing 3.00 million pieces p.a. The plant is operated almost at 98 % of this capacity installed.

This capacity was raised to 3.00 mn pcs p.a.. during the FY 2014-15 The products largely include variety of sanitaryware with a wide colour range. The technology used is of international class and has been acknowledged by some of the world leaders in Sanitaryware segments like 'American Standard' who earlier had preferred 'CERA' to help them establishing in Indian Market with manufacturing some of their sanitaryware models.



FAUCETWARE

The manufacturing facilities at Faucet ware division is well equipped in many aspects. The Design dept. is well supported by CAD/CAM & 3D printer for developing prototypes and reduce time element and control potential process losses to major extent.

The plant is equipped with VMC's/CNC, high tech energy saving induction furnaces, gravity die-casting machines, high pressure testing facilities, auto polishing machines, robotic controlled grinding machines, auto-plating nickel-chrome plant and some special purpose machines to produce quality conforming products.

The QC laboratory has latest equipment to test metal composition and other testing facilities for consistency and uniformity to help reduce process losses and providing quality controlled products, using eco-friendly chemicals to keep environment clean.

Our Faucet laboratory is also approved & certified by IAPMO India (The International Association of Plumbing and Mechanical Officials).

We added Faucet ware to our manufacturing range. The current manufacturing capacity is raised to 7200 pcs per

day. This is further scalable to 10000 pcs per day across a time span of two-three years.

The market size of Faucet ware, according to sources, is more than three times that size of sanitary ware.

Faucet ware has synergies with CERA's current product range, which largely goes into the bathroom. We have been servicing the market with quality outsourced product for the last few years under our brand name - effectively, we tested the market and the business. . The market is fairly large and can be estimated as being around Rs. 10,000 Cr. + .

We entered Faucet ware manufacturing with our own facility at Kadi in North Gujarat. Our current capacity and market share is only a fraction of this large sized market. This leaves a good scope for expanding capacity, given the credibility that the brand enjoys.

All the designs are modern, user friendly, aqua dynamic and are latest, unique, durable and easy to maintain.

The product range consists of single levers, quarter turns, and half turns which use the best raw material compositions and are capable of sustained.



LIFE STYLE PRODUCTS

'CERA' range of wellness and life style products include steam shower rooms, shower rooms, shower cubicles, shower partitions, whirlpool bath tubs, normal bath tubs and shower panels.

Bath tubs are made from high quality acrylic with Ceramic light finish, which is environment friendly and light weight. Water inlets and outlets are designed to ensure complete water drainage after use. Stainless steel frame with height adjustable ensure levelling on any floor. Safety protections like fire retardant acrylic material, overflow, and auto shut down and automatic malfunction deduction ensure trouble-free performance.



TILES

Based on the strong brand image and wide distribution network, the company has entered into Tiles business. The business model rests totally on CERA's outsourcing strengths and leveraging on strong brand image using widespread distribution network across the nation.

'CERA' has launched tiles, which consisted of HD digital wall tiles with matching floor tiles besides digital polished glazed vitrified tiles. In addition to this, the normal vitrified tiles with Nano technology are also offered by CERA.

To strengthen its manufacturing base, 'CERA' has entered into JV arrangements with controlling interest of 51% in Anjani Tiles Ltd. at Dist. Nellore in Andhra Pradesh. The plant is commissioned and commercial production has started.

OUR STRENGTHS

THE BRAND CERA

CERA's strength lies in offering innovative and high quality products with disciplined approach, responsible and customer focused attitudes – always striving for excellence, all at a price that is – Value for Money.

We always deliver what we promise.... What we do, we do well, challenging our own performance.

The Brand which inspires creativity, passion and optimism.



INVESTMENT IN TECHNOLOGY

At 'CERA', we have been continuously making significant investments in technology, enhancing manufacturing capacity, developing capabilities and establishing high quality control systems to enable desired results on schedule.

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shower partitions, whirlpool bath tubs, normal bath tubs and shower panels.

Bath tubs are made from high quality acrylic with Ceramic light finish, which is environment friendly and light weight. Water inlets and outlets are designed to ensure complete water drainage after use. Stainless steel frame.

PEOPLE STRENGTH

CERA EXTENDED FAMILY

CERA considers its trade partners as its extended family. The trade has been CERA's backbone and with their unstinted support, CERA has been able to wither out the worst of economic downturns.

CERA felicitated top 100 dealers of CERA at a function recently held in April 2016 at Mumbai.



ASSET UTILIZATION



SANITARYWARE



Mr. Vivek Tiwari
President - Works

At 'CERA', we believe in optimum utilization of assets. The manufacturing team is well experienced to ensure best technical output and yield on product recovery keeping stringent quality norms close to the heart.

The process parameters, as established, in production are outcome of years of experiments and development efforts by dedicated team of technologists. The equipments comprise of general purpose sanitary ware machineries; specially developed machines to suit some of the processes and high Tech Kilns in sanitaryware division.



Mr. I. J. Singh
V.P.-Works (Faucet ware)

FAUCETWARE

The same is true for Faucet ware with addition of the CNC machines and special purpose machines.

The Faucet ware too, is equipped with high tech induction furnaces, gravity die-casting machine, pressure testing facilities, mould making machines to ensure quality and consistency of its products.



THE STRONG FINANCIALS



Mr. R. B. Shah
CFO

'CERA' is virtually a debt free company. Its sound financial position backed up by efficient cost management has helped to establish some 'benchmark' financial parameters and ratio which have been found favourite by many. It is an enterprise with interesting fundamentals creating value for its investors. The company has been posting consistent higher earnings and so the profits after tax. These contribute a lot to make the company the most attractive investment destination when compared within the Indian sanitaryware industry.





CSR & WOMAN EMPOWERMENT



CSR Initiatives

Activities carried out in and around Kadi Factory in nearby villages

1. Promoting awareness amongst people and educating them to change the mindset on sanitation to accept this as a basic need to enhance value to infrastructure development program.
2. Promoting and imparting vocational guidance to youths on ceramic technology and take up this job oriented vocational courses.
3. Promoting Women empowerment. Providing training to have equal opportunities to stand on their own feet and support their family with employment potentials within ceramic industry.

YES..

..WE HAVE MANY
FEATHERS IN OUR CAP !!





MESSAGE TO SHAREHOLDERS & INVESTING COMMUNITY AT LARGE

The management would like to remind 'CERA' shareholders that at the macro level, the sanitation condition in India is pathetic. Our line of business offers ample scope to grow, so the outlook is bright.

At 'CERA', we respect the holdings and investments by our shareholders. We are working hard to create and sustain value for our stakeholders. We believe that the investing community would appreciate our efforts.

DISCLAIMER

Certain statements in this release concerning our future growth prospects are forward-looking statements within the meaning of applicable securities laws and regulations. These statements involve a number of risks and uncertainties, beyond the control of the Company that could cause actual results to differ materially from those appearing in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, political instability, managerial limitations and legal restrictions of acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry.

CERA Sanitaryware Ltd. may, from time to time, make additional written and oral forward looking statements, including our reports to shareholders. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company, as a sequel to or in continuation of these statements.

The Company also expects the media to have access to all or parts of this release and the management's commentaries and opinions thereon, based on which the media may wish to comment and/or report on the same. Such comments and/or reporting maybe made only after taking due clearance and approval from the Company's authorized personnel.

The Company does not take any responsibility for any interpretations / views / commentaries / reports which may be published or expressed by any media agency, without prior authorization of the Company's authorized personnel.



CERA

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