

PRESENTATION



INVENTING A BRIGHTER FUTURE

**CERA**

CERA Sanitaryware Limited

CIN : L26910GJ1998PLC034400

Regd. Office: 9, GIDC Industrial Estate, Kadi-382 715, Dist. Mehsana, Gujarat.

Phone: (02764) 242329, 243000 Fax: (02764) 242465, E-mail: kadi@cera-india.com

[www.cera-india.com](http://www.cera-india.com)

Designed by "Sohagya" Ph: 971-26584282

**CERA**

CERA Sanitaryware Limited

# CE

**CLASSY** Admirably Skillful and Graceful

**EXQUISITE** Pleasing Through Beauty and Perfection

# RA

**RADIANT** Emitting Light and Glowing Brightly

**AWESOME** Inspiring Feelings of Wonder and Awe

CERA



Honouring  
Gujarat's real estate leaders  
in their pursuit of excellence

Telecast Timings:  
Sat. 15<sup>th</sup> Oct & Sun. 16<sup>th</sup> Oct at 5 pm, only on CNBC Bajar

Presenting Sponsor  
**CERA**



[www.cera-india.com](http://www.cera-india.com)

## From Chairman's Desk...

Dear Patrons, Stakeholder and Friends,

Cera is grateful for you for the unyielding support received in the last year. The performance at Cera has been exceptional in the face of adversity and in spite of not so favourable market conditions. The past year was of primary significance as CERA garnered several accolades for its corporate and brand performance.

Cera has exclusively launched ISVEA, an Italian luxury designer sanitary ware, in India. This strategic partnership will help CERA alleviate its product offerings and cement its position as the market leader in the luxury sanitary ware segment. This year's CERA Chairman's Club celebrations were made special with the august presence of CERA's Brand Ambassador and Bollywood superstar, Ms. Sonam Kapoor.

To create designs and quality on par with international standards, Cera is continuously and consistently making technological up gradations at its sanitary ware and faucet ware plants. We have installed new machinery in both plants automating the production processes. Another milestone to note was the commencement of commercial production of tiles at the Nellore plant, through a JV with Anjani Tiles. Keeping pace with the latest trends,

Cera has launched new clean rim EWCs and thin rim wash basins, following it up with the introduction of 'Silk' and 'Duo', a premium range of wash basins. Apart from the above, more new products are being designed to meet to

the needs of our endearing customers.

Cera has opened two new Style Studios at Chennai and Thiruvananthapuram and shifted the Kolkata and Chandigarh studios to new locations with a larger space. The Style Studios and Style Galleries reinstate CERA's premiere position in the market. With the grand opening of a new Style Gallery in Dubai, CERA has become the first Indian sanitary ware manufacturer to go international.

CERA, India's premiere home solutions brand, has forayed into the international market in big way and in grand style. Launching CERA Style Gallery in Dubai, the brand now caters to the needs of GCC countries. CERA Style Gallery in Dubai is strategically located on Salah Al Din Road, showcasing a select range of sanitary ware, faucets, tiles and wellness products Customised for the GCC countries' requirements. CERA has put together a sales and marketing team in Dubai for personalised selling to architects, interior designers, developers and retailers. CERA has experienced 3600 growth in India, and this is the first time that it is venturing into the Gulf market with a showroom, distribution set-up and sales team. Since CERA's sanitary ware and faucet ware plants are located in Gujarat, it has an advantage of location for exporting to Gulf markets.

CERA also launched its touch and feel display centre, CERA Style Studio in Kolkata, in the upscale Topsia Crossing. Spanning over 4,500 square feet, this Style Studio is home to CERA's latest range of products. A CERA Style Studio in Thiruvananthapuram was opened which will be the second Style Studio in Kerala and the tenth in India. This new display centre is covers over 3,500 square feet and is ideally situated on the NH Bypass at Venpalavattom, Anayara, Thiruvananthapuram. It is meant to give a tactile experience to architects,

designers, consultants, developers, trade partners and consumers.

It is imperative for a brand to garner recognition for its achievements as well as its products and services and in today's fiercely competitive markets, awards are the means of public trust and recognition. Accolades are the penultimate seal of approval from the customers and the industry. CERA, India's premiere home solutions provider, has always been an organisation that focuses on innovation and quality. CERA's endeavours have been aptly rewarded recently.

CERA, India's most preferred home solutions provider, has received The Economic Times A&D Top 100 Brands Award. The winners were chosen on the basis of votes by 4000 architects and interior designers based on popularity, quality and reputation apart from other parameters.

The Gujarat Ratna Awards has been constituted by CNBC to celebrate and recognise companies engaged in new and innovative ideas for more than two decades. CERA was conferred with the Gujarat Ratna Award for its contribution to the ceramic industry in Gujarat.

CERA was also awarded with Asia's Most Promising Brand Award 2016 for the second time. This award throws light on the most promising brands all over Asia that have created a name through steady and consistent growth.

CERA a technologically advanced and innovative organisation offers quality products certified by IAPMO, CE and IGBC with the usage of advanced technologies in manufacturing. In the sanitary ware manufacturing plant, the new quality control lab for product testing has been created and the same has been certified by IAPMO, ensuring a consistency in product quality. In the faucet ware manufacturing plant with the introduction of 3D printing machines faster development of new designs can be conceived from concept to production.

Known for groundbreaking innovations, CERA has designed new clean rim EWCs. With a seamless and streamlined appearance, these EWCs ensure better hygiene by virtue of their rim-free design. They make use of a revolutionary technology delivering effective flushing results and facilitating efficient cleaning, the technique they also ensures conservation of water.

The introduction of the CERA Style

Studio on Wheels is a reflection of CERA's strong tradition of innovation. The CSS on Wheels is a unique concept that unveils the actual touch and feel experience of CERA's products straight to its. It is a display van that demonstrates the latest of CERA to the customers' doorstep, at a time and date convenient to them.

The meaning of true success goes beyond its financial parameters. At CERA we staunchly believe that progress is integrated with the responsibilities of the company towards the community as well. CERA has always been involved in various social welfare activities and while considering social contribution a moral duty.

The CERA Foundation has been working tirelessly to make education available for all children. CERA supports schools and their students through various avenues aimed at educational promotion. The CERA Foundation, in tandem with Rotary Foundation, constructed two classrooms for a Computer Laboratory and a Science Laboratory for the school in Karoli Gam. CERA has also built sanitation facilities at schools in seven locations including Sarsav, Ankhol, Visatpura, Dhoria and Acharasan.

A medical camp was conducted in association of Lions Club, Ahmadabad. The same was attended by doctors, technicians and medical teams, the camp reached out to 260 workers, who enjoyed the benefits of various tests like Complete Body Profile tests (231 nos), X-Rays (282 nos), PFTs (278 nos) and ECGs (279 nos). A blood donation camp was also held with the help with the Indian Red Cross Society of Ahmadabad. Such camps are very needful and helpful in creating awareness about the importance of voluntary blood donation. One more medical check-up camp was arranged by CERA where ECG technicians treated to patients with specific ailments and 26 children were examined by a child specialist.

Each day at Cera we strive to push the thresholds of excellence and innovation while unveiling groundbreaking products that are customised to serve the needs of our endearing customers with form and functionality. In the coming times Cera pledges to serve you even better with unyielding commitment and service, propelling the Indian Sanitary ware industry to new heights and horizons and as the saying goes, 'The best is yet to come'.

Que CERA CERA, the future is ours to see!

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

Thank You.

**Vikram Somany**, Chairman



## Team CERA and Corporate Information

### PRESENT BOARD OF DIRECTORS

Name of Directors	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 J. K. Taparia	Additional Director-Independent
• Shri Lalitkumar 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.  
Tel.: (02764) 242329, 243000 | Fax: (02764) 242465 | E-mail: kadi@cera-india.com | www.cera-india.com  
CIN: L26910GJ1998PLC034400

### 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 faucetware Plants : 9, GIDC Industrial Estate, Kadi – 382 715, Dist. Mehsana, Gujarat
- II. Wind Farms
  - Village Patelka & 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, Shatdal Complex, 2nd Floor, Opp. Bata Showroom, Ashram Road, Ahmedabad – 380 009.

## WHAT'S INSIDE

- Company Overview
- These help us to balance Growth and Margins
- New Initiatives
- 5 Years' Historical-WHAT IS ON THE ANVIL
- CSR & Women Empowerment



## INDEX

• Vision – Aiming High!	09	• Crisil	54
• Mission Clear-cut focus	09	• Moving Forward with The Spirit of Excellence	55
• Company Overview	10 - 11	• 5 Years's Historical – What is on The Anvil	56
• Product Line and Business	12 - 15	• Where will Cera Possibly be in next five years	58
• Solid Track Record	17	• Expansion & Capex Funding	58
• 'These Help us to Balance Growth & Margins'	18 - 43	• Our Identity	59
• Excellence is in Details – Financial Brand	48	• Going Far to Come Closer	60
• Advantage CERA	51	• Our Strengths	61
• GST	51	• People Strength	61
• Sanitation Plus	52	• Asset Utilization	62
• Preferred Employers	53	• CSR & Women Empowerment	63
• Governance and Transparency	53	• Message to Shareholders and Investing Community At large	65
• Awards	54	• Disclaimer	65
		• Notice	66 - 152

**Growth is a  
continuous process...**



**We reinforce this  
with our endeavours.**

In pursuit of  
Excellence



Mrs. Deepshikha Khaitan  
Vice Chairperson Non-Executive

## Vision Aiming High!

**CERA**  
in every home...!



Mr. S C Kothari  
Chief Executive Officer

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

... And lead a way in fulfilling corporate social responsibilities.

**Reinforcing the foundation for growth...**

## Mission Clear-cut Focus

- Top line and Bottom line
- To strengthen our position as a market leader in Sanitaryware, Faucetware, Tiles and lifestyle products so to say as total bathroom solution provider
- To create and build platform for sustainable top line and bottom line growth
- 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 of developers as well as that of 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.**

Leadership by  
**STYLE**



Mr. Atul Sanghvi  
Executive Director

## 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 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 sanitaryware and faucetware 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 faucetware 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 wall.

- 'CERA' has been steadfastly moving towards its mission of becoming a force to be reckoned in 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 Faucetware 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.

## 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 Sanitaryware. 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 sanitaryware up to 2.7 million pcs. per annum. The company has been experimenting in more than one ways involving technological advancement and improvising process parameters to optimize so to 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 faucetware, besides improvements in product designs with matching quality standards using its full capacity



## Our Focus

At 'CERA', at current manufacturing location, the company has been continuously striving to build a world class technology base in 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, Faucetware, and Lifestyle 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 sanitaryware and life style bathware

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 faucetware is almost three times the size of the sanitaryware; 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 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 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 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.

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 focused areas as identified for focused efforts.

## Product Line & Businesses

'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. 2500 to Rs. 2700 Crores. Further, the sources indicate that the market in India is growing at steady pace of 8-10 % annually. Whilst the small producers of sanitaryware from unorganized sector used to have larger share of the business, the trend is steadily shifting towards 'branded' products.

CERA' is favourably positioned with its product portfolio in more popular segments i.e. 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 from 2.70 mn pcs p.a. during the FY 2013-14. 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'.



### Faucetware

The manufacturing facilities at faucetware division is well equipped in many respects. 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 faucetware 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 faucetware, according to sources, is more than three times that size of Sanitaryware.



Faucetware 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 test marketed the business. The market is fairly large and can be estimated as being around Rs. 75 bn. We entered faucetware 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.

## Allied Sanitaryware

CERA being a complete bathroom solutions providers, it not only provides sanitaryware, faucets and tiles, but also complementary items like seat covers, plastic cisterns, concealed cisterns, etc. These products contribute substantially and in proportion to the sanitaryware sales to the top line of the company.



## 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 volatile 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 Sanitaryware 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 set up of Faucetware. 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.

A meticulously chalked out strategies of expansion - diversification with enlarged product basket and aptitude of strong customer focused business approach-the company has made industry watchers more than happy by recording a growth in F Y 2016-17 of above 10%. The CAGR of last Five (5) years, too remained fairly healthy at around 20% amidst subdued real estate market

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.



- STRATEGIC LEADERSHIP - Always Ahead
- BRAND CERA - Value Surge
- PRODUCT BASKET - Bountiful Gems
- REVENUE STREAMS - Creating Wealth
- PRODUCTION EFFICIENCIES - Profitable Processes
- COST MANAGEMENT - Sustaining Security
- PRODUCT QUALITY - New Benchmarks
- CAPACITY BUILDING - Sustainability Strengths
- PRODUCT POSITIONING & PREMIUMISATION - Exclusive Excellence
- ENHANCING DISTRIBUTION REACH - Reaching wider and farther
- OPTIMISATION - Resourceful Ways
- DEBT FREE STRUCTURE - Non-risk Formation
- BRAND POWER - Visualising Success
- WORKING CAPITAL - Stalwart Fundamentals
- NEW INITIATIVES - Forays to new Frontiers

These help us to balance  
**Growth and Margins**

## Strategic Leadership - Always Ahead

The leadership that has ethical values to inspire trust with straightforward 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 sanitaryware industry and Mr. Atul Sanghvi as Executive Director, a marketing and management wizard who have successfully built the organization on ethics and good values.

**Successful organizations can only be built with visionary leadership.**



## Brand CERA - Value Surge

### 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!'**

## Product Basket - Bountiful Gems

'CERA', way back in 1980 began its journey as purely a sanitary ware 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 designs backed up by introduction of innovative maneuverability in faucets have helped the company establishing as one of the major force.

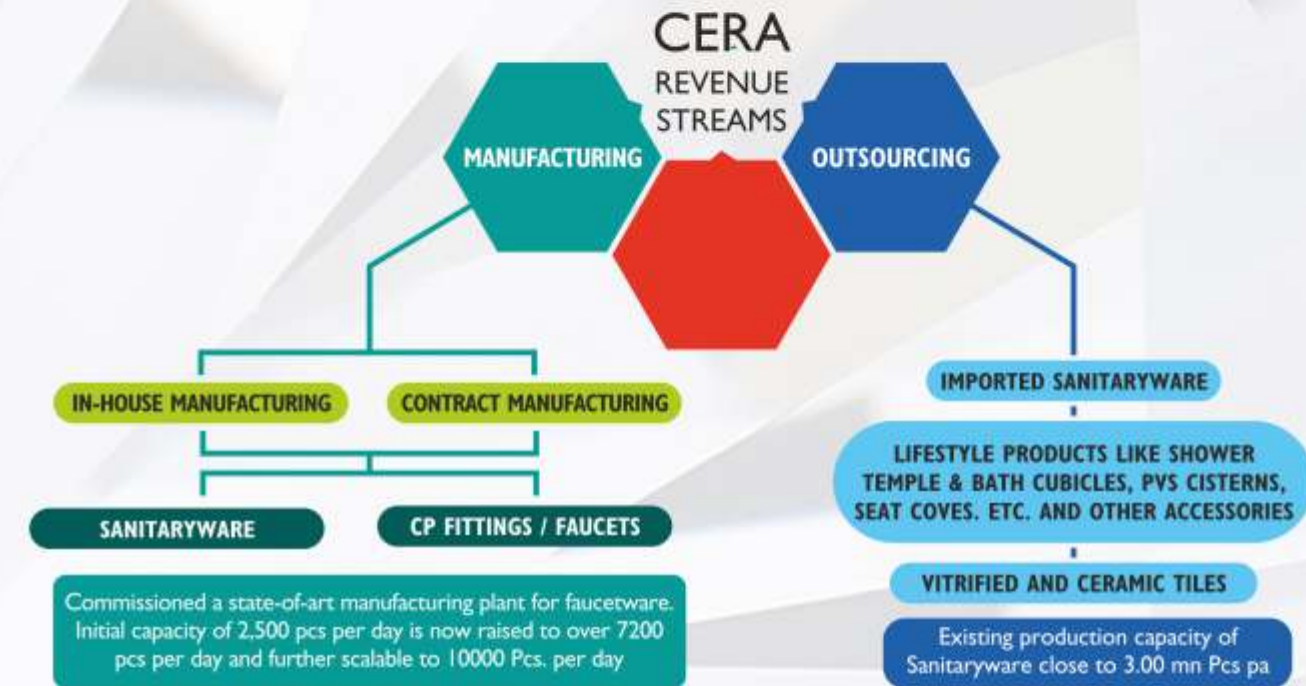
Riding high on established brand image and to fall in line with new business equations with number bathroom being used more as business matrix rather than number of sanitaryware or faucetware per bathroom, company also entered in the business of Tiles purely relying on 'Outsourcing' business model with plausible possibilities of entering into JV business model.

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.

## Revenue Streams - Creating Wealth

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.



## Production Efficiencies - Stringent Processes

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 computer aided new technology and system integration are some of ongoing preventive measures in vogue at manufacturing processes not only help controlling but also help enhancing productivity.



## Cost Management - Sustaining Security

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, last few years 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.



## Product Quality - New Benchmarks

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.

## Capacity Building - Sustainability Strengths

Commissioned a state-of-art manufacturing plant for faucetware. 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 sanitaryware close to 3.00 mn. pcs pa.

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

However, 'CERA' focuses more on in-house capacity building.

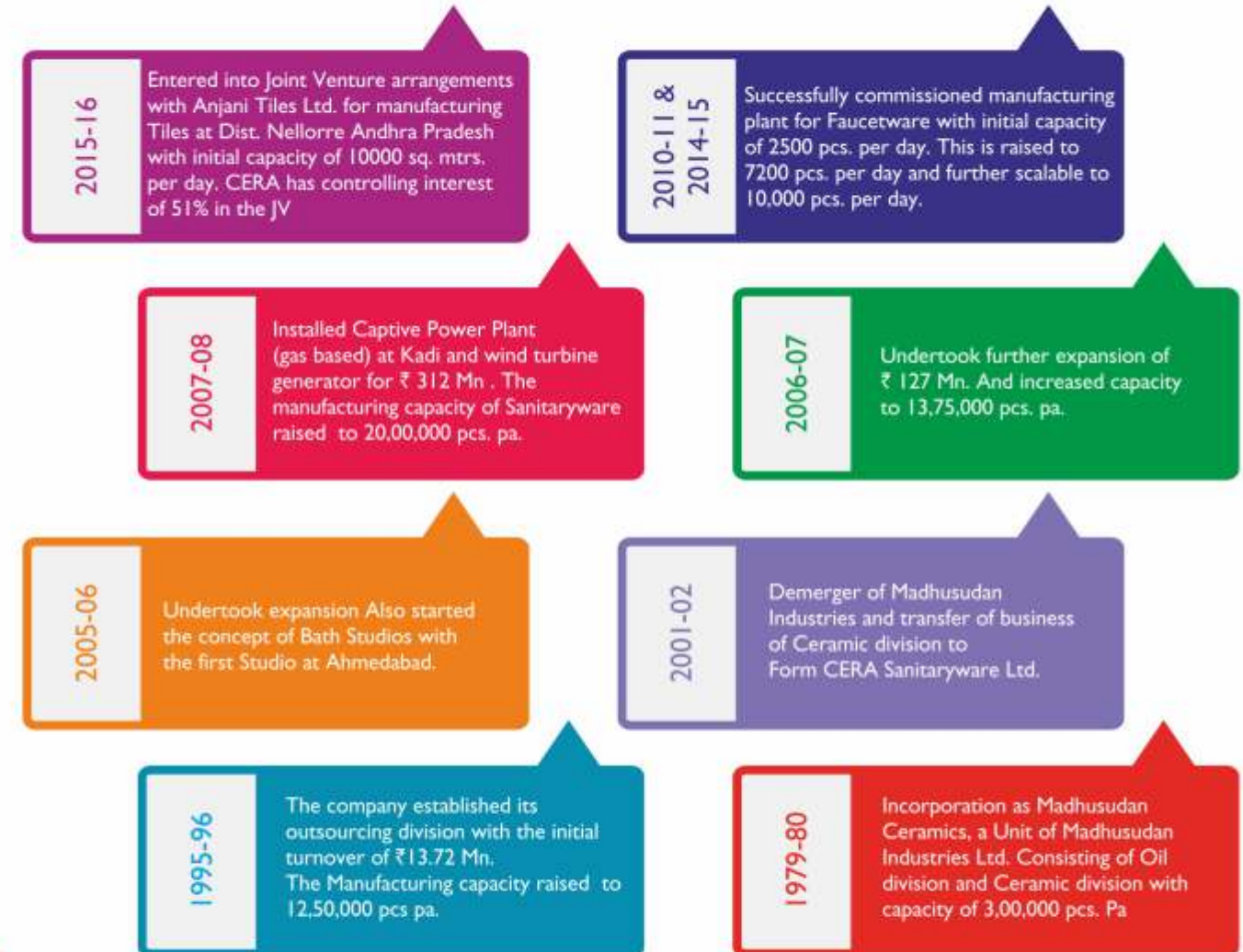
Casting facilities in greenware; mould making for attractive designs & efficient firing kiln are of international standards in sanitaryware.

The faucetware 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.



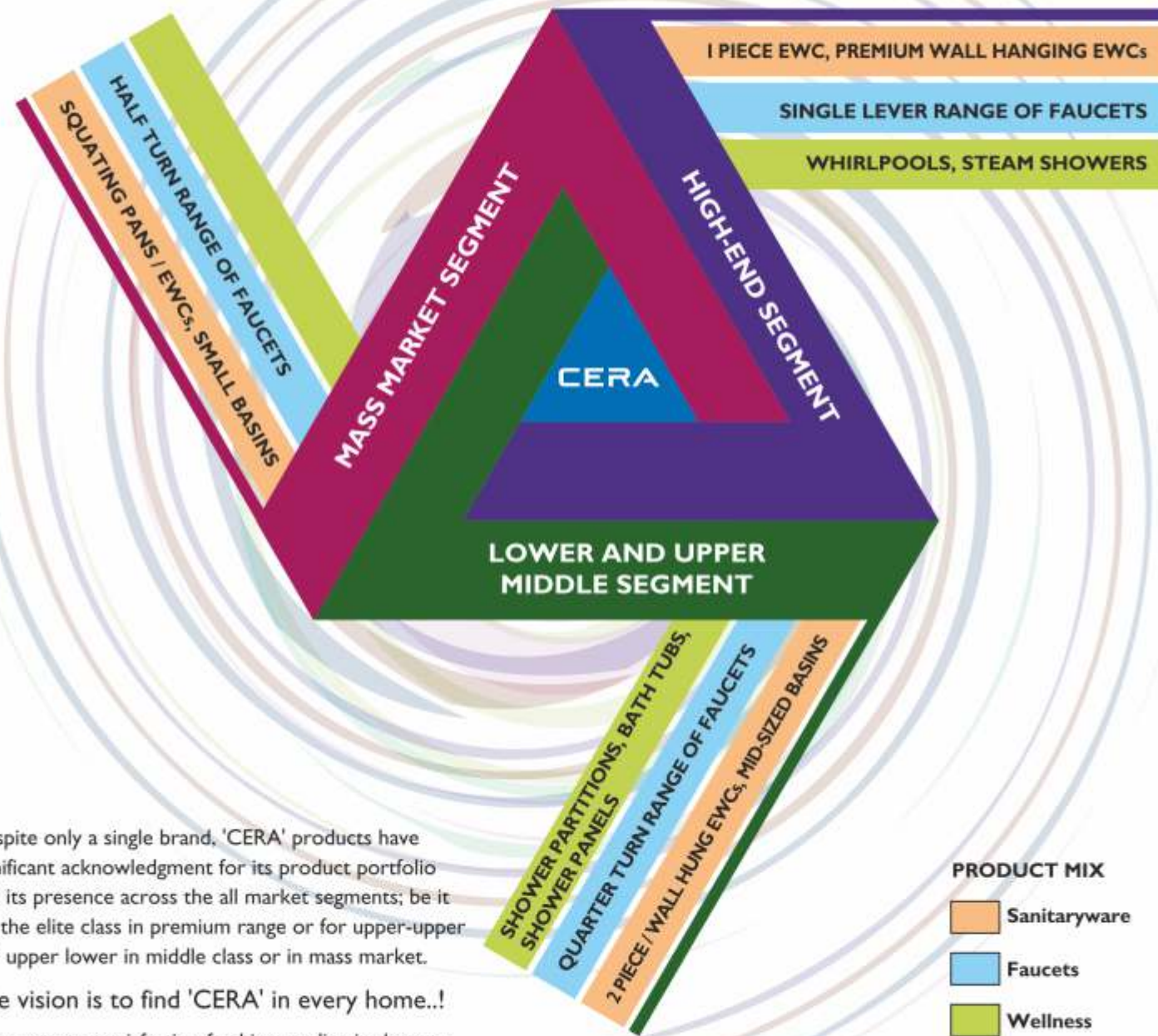
## CERA Growth Trajectory

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



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

## Product Positioning & Premiumisation Exclusive Excellence



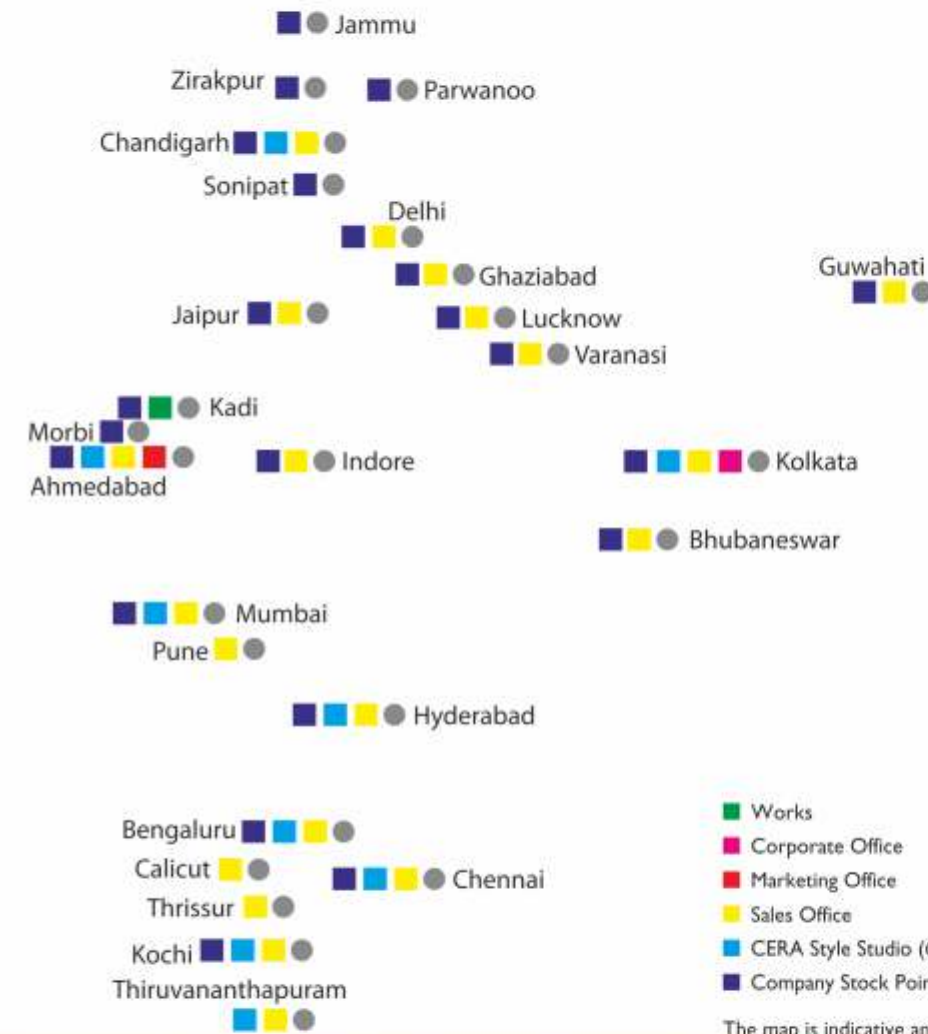
Despite only a single brand, 'CERA' products have significant acknowledgment for its product portfolio and its presence across the all market segments; be it for the elite class in premium range or for upper-upper and upper lower in middle class or in mass market.

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 share in premium segment while keeping its feet firmly grounded in mass market as well as for upper and lower middle range segments.

## Enhancing Distribution Reach - Reaching wider and farther



**Mr. Abbey Rodrigues**  
Sr. Vice President Sales

Starting his career as a sales executive in Kerala with CERA, he rose to head all-India sales at CERA's head office at Ahmedabad over a period of 2 decades. He is credited for making CERA numero uno in Kerala and is all out to repeat it in several other States, with his innovative ideas.

## 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 and 10 studios across the country.

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

## Optimisation - Resourceful Ways

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.



## Debt Free Structure - Non-risk Formation

'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 favourable business opportunities at appropriate time.

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





## Adding more Glamour to Brand CERA

While Bollywood actress Ms. SONAM KAPOOR, fashion icon for 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.



## Brand Power Visualising Success



**Mr. P.K. Shashidharan**  
Sr. Vice President Marketing

With his experience in media, advertising and product management, he has been driving brand CERA for over 25 years now. Innovations are his forte, which he has been using both in products and in advertising.

**CERA**

Celebrate this:  
**World Architecture Day**  
with the man who redefined the skyline of India  
**Padmabhushan Ar. Hafeez Contractor**

Date: 1<sup>st</sup> October 2016  
Time: 10:00 pm onwards  
Venue: Rabindranath Tagore Hall, Patel Ahmedabad

## Working Capital - Stalwart Fundamentals



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



**Mr. S C Kothari**  
Chief Executive Officer

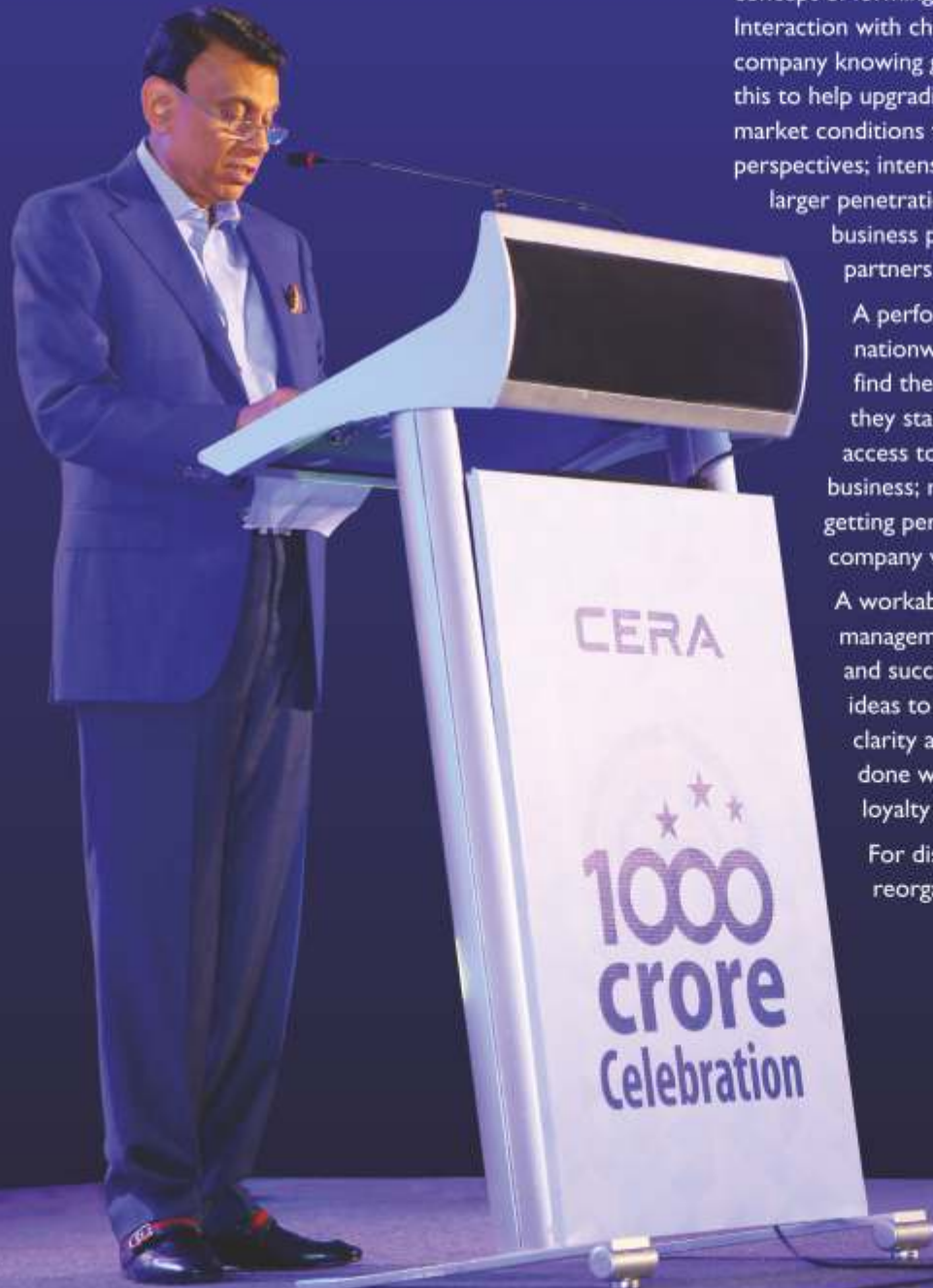
## The Strong Financials



**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.

## 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, are expected to strengthen loyalty in entire distribution channel.

For distributors and dealers it is a matter reorganization.



Conceive. Commit. Conquer.

## New Initiatives - Forays to new Frontiers

### Nav-Chetna

CERA's business process has come of age and to be in tune with or ahead of time, CERA roped in international business strategy consultants, Accenture. The Accenture project, aptly called Navchetna, has helped the company get a new perspective of re-engineering on many of its product offerings.



### Nav-Rachana

CERA believes that innovative designs give a cutting edge in a competitive market space. In order to further sharpen its style quotient and innovativeness in its products, CERA has formed a cross functional team, Navrachna, which also includes an NID-alumni product designer. The group is working on new designs as well as remodelling its existing designs.



## CERA Home Upgrade

Currently, the renovation of bath spaces in India account for very little. However, with products with new features come in the market, the consumers are feeling the need to upgrade their bathrooms, but refrain from executing it, due to lack of availability of a single agency to execute it from concept to

finish. CERA Home Upgrade, the newly launched vertical would address this need of the consumers. Currently available in Ahmedabad, Bengaluru, Mumbai and Pune, this service would be expanded to other cities as well.



## Online Training

No salesman can sell the product without thorough knowledge of it. CERA has been continuously training not only its own sales team, but also those of its dealers. To make it more interesting and interactive, the company has roped in an e-training company, which executes online training for the company.



## Plumber's Meet



At CERA we feel that plumbing technicians are indirect brand ambassadors for CERA. Imparting continuous technical knowledge about CERA range for correct installation methods and after-sales service has been a priority for CERA.



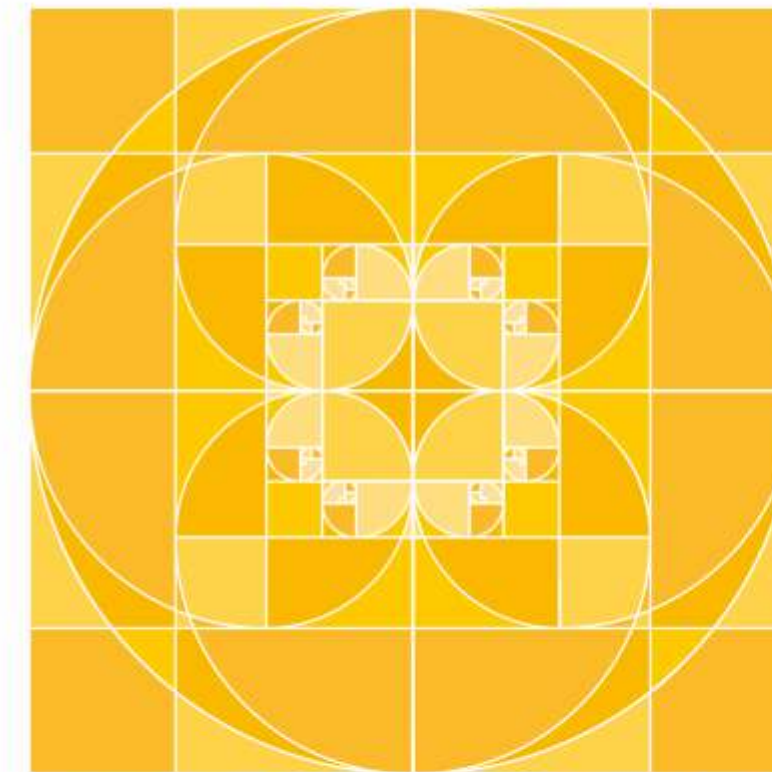
## CERA Style Studio on Wheels

In keeping with the innovative trends of CERA, it has brought out another new concept of taking style to the doorsteps of the architects, designers and developers. The vehicles has been designed innovatively to appropriately display any newly launched product—be it sanitaryware, faucet or tiles and to take it to their offices or project sites. It has been welcomed by the fraternity wholeheartedly as it saves their time to physically visit the Cera Style Studio.



## World Quality Month

Quality in CERA starts with the word go. At every stage of the production process, quality is assured through training of workforce on standard operating procedures and quality norms. Every year, November is celebrated as Quality Month, when more vigorous activities on training on quality related activities are conducted.



## World Standards Day - (14th October)

STANDARDS  
BUILD TRUST  
WORLD STANDARDS DAY  
14 OCTOBER 2016

#speakstandards CERA IEC ISO

## A New showcase to a World of Excellence



**CERA opens CERA Style Studio in Kochi**

## 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.

## 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.



## 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, Snapdeal and Flipkart 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.



## ISVEA



The rationale for a tie-up with ISVEA is to add flavour 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."

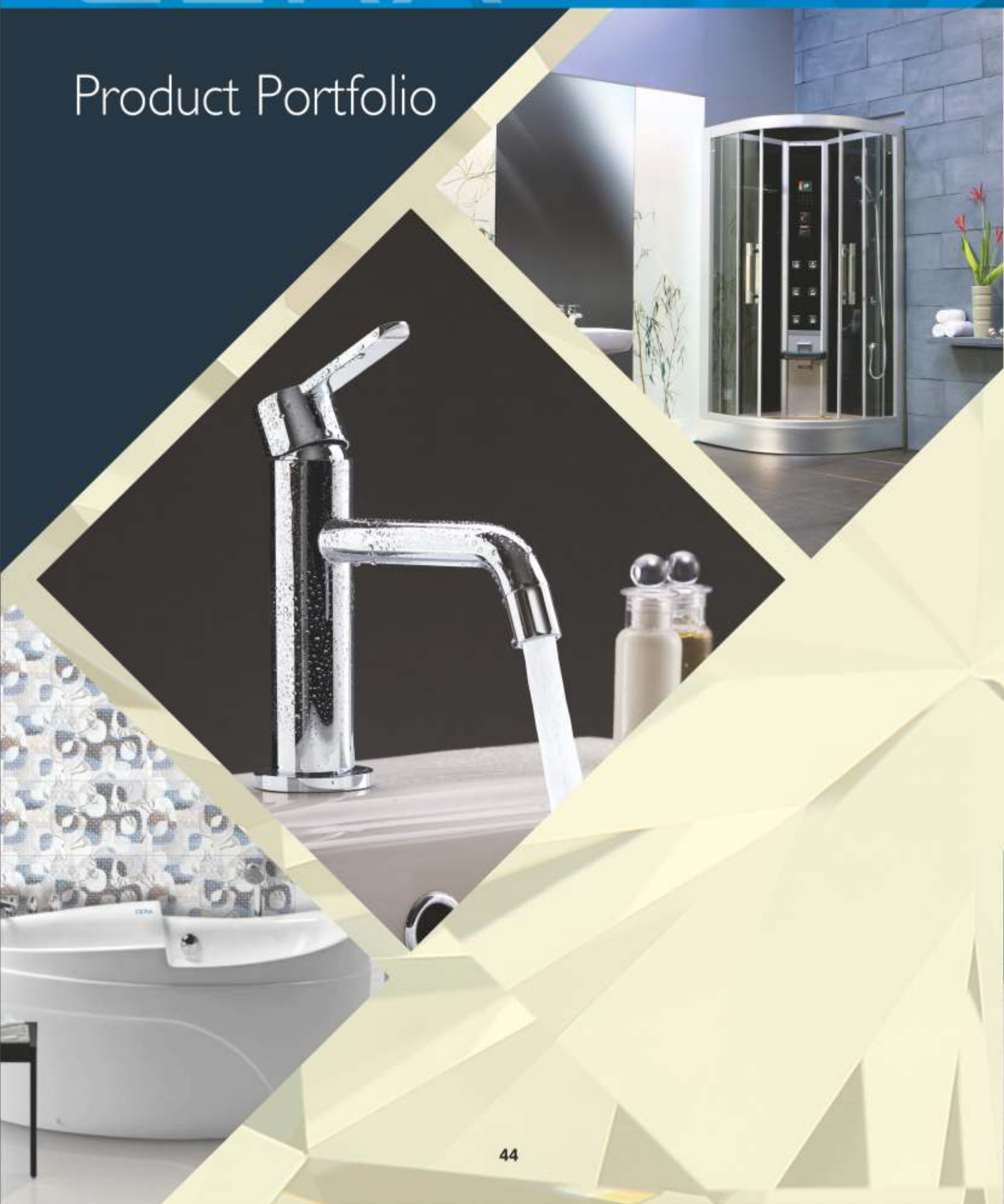
"The Italian ISVEA has been founded in 1962, in the surroundings of Eusanio Del Sangro at distance of 200 km to Rome. It has started production as the 7th vitrified ceramic company of Italy, which is the world leader in the field of ceramics, and has continued its activities a typical Italian producer.

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.



## Product Portfolio





## Product Portfolio



## Excellence is in Details

Financial Brand  
Investor's Relation and  
Credible Business strategies

**THE VISION THAT  
CREATES VALUE.  
SOME INVESTMENTS  
ARE FOREVER !!**

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

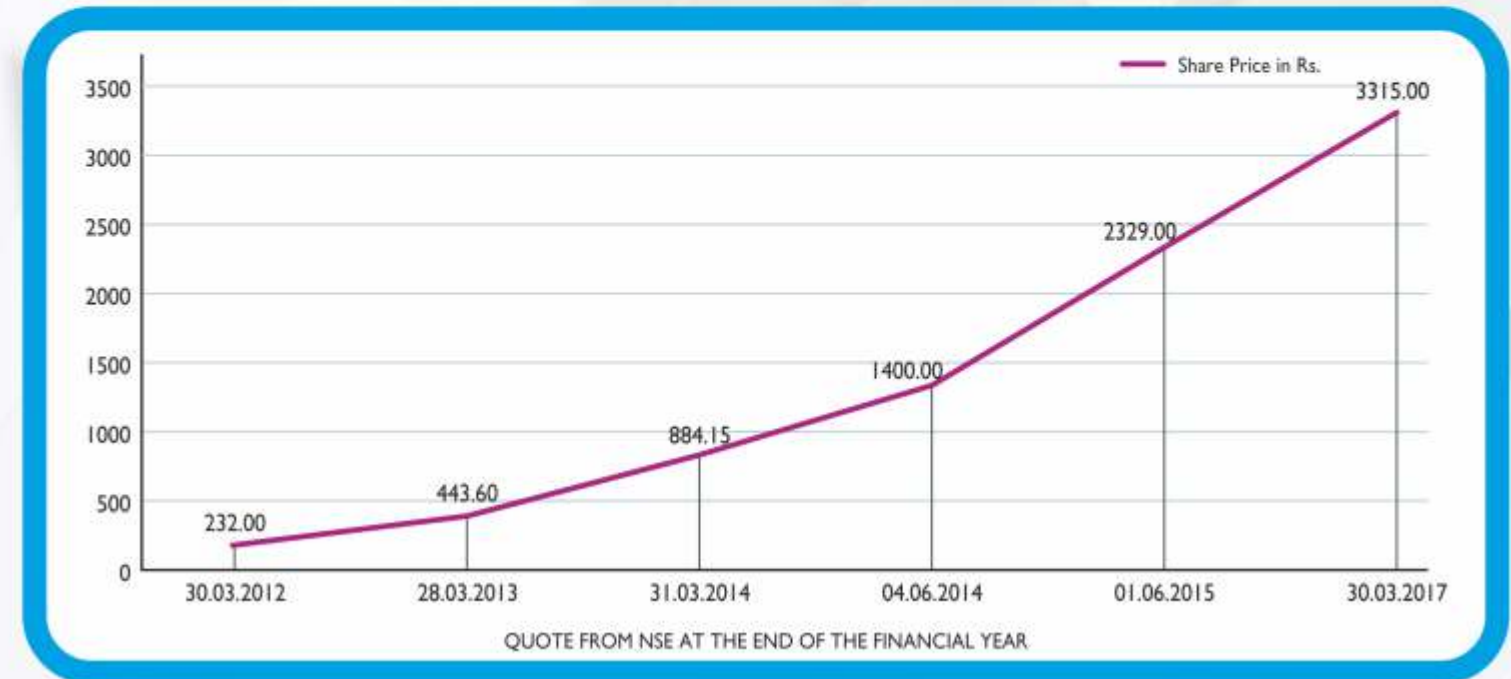


Needless to add, 'CERA' now is a preferred investment destination for many in sanitaryware industry so also in Building Material space especially on domestic bourses with clarity, cut, carats and color.

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

PAT so also the EPS. Noteworthy it is; every important financial parameter remained almost steady with convincing growth of around 10% during the FU 2016-17 in top line!

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



## 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:

- Current year's Profit/ Inadequacy of profit
- Accumulated reserves
- Distributable surplus available as per the various Acts and Regulations
- The Company's liquidity position and future cash flow needs
- Track record of Dividends distributed by the Company
- Capital expenditure requirements considering the expansion and acquisition opportunities
- Cost and availability of alternative sources of financing
- Funds requirement for contingencies and unforeseen events with financial implications
- Capital market scenario
- Shareholders expectations
- Government Policies

- Macro- economic conditions
- Stipulations/ Covenants of loan agreements
- Prevailing Taxation Policy or any amendments expected thereof, with respect to dividend distribution
- Payout ratios considering probabilities of its consistency in coming time
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend.

## 6. Utilization of retained earnings

Retained earnings shall be utilized in accordance with prevailing regulatory requirements, creating reserves for specific objectives, fortifying the balance sheet against contingencies, generating higher returns for shareholders through reinvestment of profits for future growth and expansion and any other specific purpose as approved by the Board of Directors of the Company. The Company shall endeavor to utilize retained earnings in a manner that shall be beneficial to both, the interests of the Company and its stakeholders.

## 7. Parameters with regard to various classes

Presently, the issued and paid-up share capital of the Company comprises of equity shares only. In case, the Company issues other kind of shares, the Board may suitably amend this Policy.

## 8. Conflict in policy

In the event of a conflict between this policy and the existing statutory regulations, the statutory regulations will prevail.

## 9. Modification of the Policy

The Board is authorized to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, SEBI and other Regulations, etc.



# Advantage CERA

## With affordable housing comes affordable sanitaryware

Now affordable housing will not just be a dream. Post the Infrastructure status awarded to the Affordable Housing segment there are reasons to cheer. The new status will give an active boost to the real estate sector and the sanitaryware industry in tandem. Affordable housing will play an important role in laying the foundations of the smart cities model, giving the allied industries like sanitaryware the opportunity to expand, innovate and diversify.



# GST

## A step ahead for the sanitaryware sector

The introduction of the Goods and Services Tax (GST) will benefit the organized sector in sanitaryware market immensely by helping them to compete with the unorganized sector. GST will help to bring down taxes & reduce prices of products. For example if the GST rate is 18 % at least 10 percent benefit will be passed down to the end customers thus bridging the gap between organised and unorganised players in the sanitaryware industry, making quality sanitaryware like CERA more affordable to all.



- BUILD** : Build adequate infrastructure for Sanitation
- USE** : Promote utilization and behaviour change
- MAINTAIN** : Maintain infrastructure, Cleanliness and Safety
- TREAT** : Process the sludge generated

## स्वच्छ भारत मिशन



एक कदम स्वच्छता की ओर

## Sanitation Plus - Swachh Bharat Abhiyan

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

Nearly 30 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 compaigns to the Swachh Bharat Cess on services is welcome move to build greater momentum around a booader 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 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.

## 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 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 5/5 for Valuation to Cera Sanitaryware Ltd. on the back of wide appeal of the CERA brand, established position in the organized sanitaryware industry, an extensive distribution network and stable cash flows.

... We expect these initiatives to augment the company's strong fundamentals and boost growth. While the next few quarters are expected to be challenging, we expect growth to revive in FY18, driven by recovery in demand and the aforementioned measures. Keener competition across product segments remains a threat. We maintain our fundamental grade of 4/5.

...We revise our earnings estimates for FY17 and FY18, and roll forward our estimates by a year to FY19. Considering the sustained decline in G-sec yields, we revise the cost of equity by 100 bps. Accordingly, we have raised our discounted cash flow-based fair value estimate to ₹2,862 from ₹2,742. At the current price of ₹2,093, our valuation grade is 5/5.

## 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 in corporate spatial planning to create favourable ambience for every home as well as business. This has become possible with dedicated continued 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 target over contributory factors that has bearing over growth is vis sustain able margins – just to mention a few that go to create and build strong long term value.

## 5 Year's Historical

### What is on the Anvil

#### 5 YEAR FINANCIAL OVERVIEW

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Net Income	487.87	663.69	821.67	933.69	1009.17
Other Income	8.99	6.15	6.58	9.97	10.41
Total Income	496.86	669.84	828.25	943.66	1019.58
EBITDA (excluding other Income)	75.33	94.94	117.54	141.28	166.97
Depreciation	9.42	12.25	15.46	16.32	18.12
Finance Charges	7.09	6.44	7.73	5.46	3.44
Profit Before Tax	67.81	82.40	100.93	129.46	155.82
Profit After Tax and Minority Interest	46.20	51.91	67.66	83.46	101.32

#### Final Position

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

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Equity Share Capital	6.33	6.33	6.50	6.50	6.50
Reserve and Surplus	173.17	217.64	345.21	414.52	515.90
Networth	179.50	223.97	351.71	421.02	522.40
Gross Block	175.29	211.68	287.92	310.53	368.19
Net Block (incl. Capital WIP)	129.38	156.90	222.34	230.04	266.60
Investments	1.38	12.13	47.76	47.47	87.06
Cash & Bank Balance	40.35	30.71	29.53	59.39	55.39
Net Current Assets	86.70	103.35	174.27	224.34	269.71
No. of Shares	1,26,54,874	1,26,54,874	1,30,05,874	1,30,05,874	1,30,05,874

#### Ratios

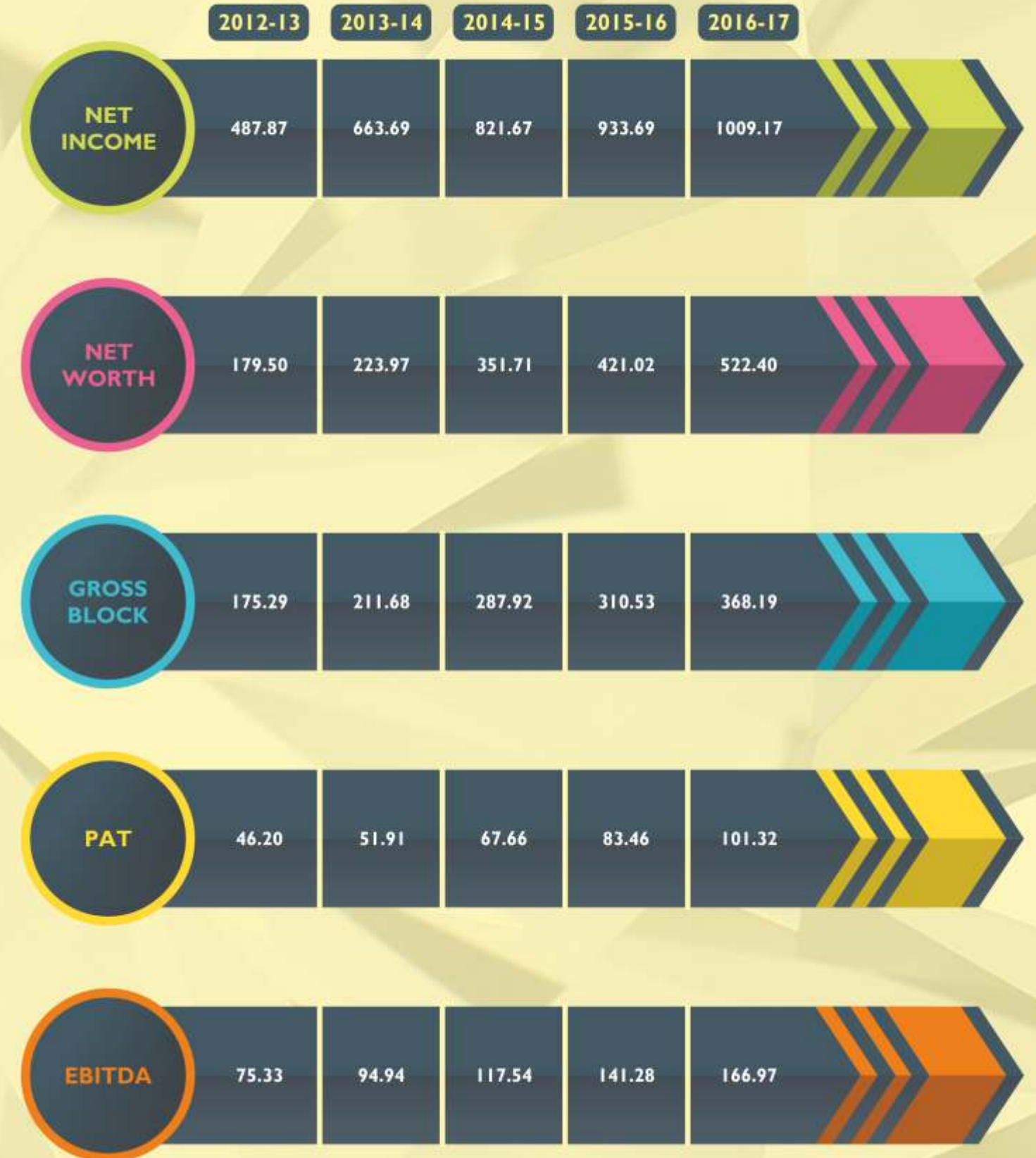
% (except EPS)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
EBITDA margin	17.28	15.23	15.11	16.20	17.58
PAT margin	9.47	7.82	8.24	8.94	10.04
Return on Capital Employed (ROCE)	26.98	31.51	25.47	29.14	28.80
Return on Net Worth (RONW)	25.74	23.17	19.24	19.82	19.40
Earnings Per Share (in Rs.)	36.51	41.02	53.36	64.17	77.90
Dividend Per Share (in Rs.)	4.00	5.00	6.25	9	12*

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

NSE Ticker  
BSE Ticker  
ISIN No. in NSDL & CDSL

Trading Symbol [CERA]  
[scrip code 532443] [scrip ID CERASAN]  
INE 739E01017



## Where will CERA possibly be in next 5 Years

The Sanitaryware industry, reportedly, is growing at average rate of 5-6 per cent, annually during last two three years under subdued real estate and new construction activities. 'CERA' during FY 2016-17 registered moderate top line growth of 10%+. 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 is find good opportunity to do so in Faucetware. Besides this, the enlargement of product basket with emphasis on outsourcing business model and leveraging on 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 own operations; the balance with support from existing bankers. This financial structure is expected to lay solid foundations for much stronger growth in time to come.

## Our Identity Packing plenty of Punch

The launch of CERA Bath Studios a decade 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 sqft, 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 and so is Cochin CERA Style Studio.

## Expansion & Capex Funding



As part of our growth strategy, we have chalked out 'Three Year Rolling Plan' of CAPEX of around Rs. 180 crore spread over next three years. This, essentially is envisaged to be used to add on further manufacturing capacities in sanitaryware and Faucetware besides strengthening 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.



## Going Far To Come Closer

'CERA' has noteworthy nationwide presence for 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 two hundred 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 place orders online, a first of its kind initiative in the building material industry.



## 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.

'CERA' range of wellness and life style products include steam shower rooms, shower rooms, shower cubicles, shower partitions, whirlpool bathtubs, 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 2017 at Cochin.



## 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 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 sanitaryware machineries; specially developed machines to suit some of the processes and high Tech Kilns in sanitaryware division.



### Faucetware

**Mr. I. J. Singh**  
V.P. Works (Faucetware)

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

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



## CSR & Women 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.