

**lead the**  
**change!**

## FORWARD-LOOKING STATEMENT

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of these results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

## ACROSS THE PAGES

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Asian Granito India Limited has been among the fastest growing Indian tile companies with a ten-year CAGR in revenues of 30 per cent.

Growing its net worth from near-scratch to ₹280.45 crore at the end of 2013-14.

Through a singular focus on being the first, the best and the fastest.

This commitment has been reinforced by an enduring AGL philosophy expressed in just three words.

**lead the**  
**change!**

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**Asian Granito India Limited is more than just a tiles company.**

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**The Company is an interior aesthetics organisation.**

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**Engaged in marketing tiles, engineered stone and natural marble.**

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**Making it possible to service all kinds of interior flooring solution customers at one stop.**

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**Providing interior flooring solutions across the value chain – from ₹20 per square feet to ₹300 a square feet.**

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## ABOUT US

Asian Granito India Limited was established in 2000 by Mr. Kamlesh Patel and Mr. Mukesh Patel as a tile manufacturing company.

The Company is India's fastest growing ceramic, vitrified tile, marble and quartz manufacturer and among the 50 most profitable global ceramic tile companies. It also is a leading innovator using technological support from SACMI (Italy).

The market capitalisation of the Company stood at ₹225 crore as of August 30, 2014 with a promoter shareholding of 37.52 per cent amounting to ₹84 crore.

## VISION

- To be a leader in the ceramic industry.
- To uphold quality at every stage and maintain consistency to win the trust of our valued customers worldwide.
- To remain as innovative global leader.

## PRODUCTS

- Ceramic wall, ceramic floor and vitrified tiles
- Digital polished glazed vitrified tiles and digital wall tiles
- Marble and quartz

## PRESENCE

The Company is headquartered in Ahmedabad, with manufacturing facilities spread across 320,000 square metres at Himmatnagar (Gujarat) and Idar (Gujarat)

The Company is based in Gujarat with 18 offices and 50 showrooms. AGL has emerged as among the largest ceramic tile manufacturing groups in India with a global presence in 47 countries.

The Company has a pan-India marketing and distribution network, employing over 2,800 dealers and sub-dealers reinforced by 16 depots and 50+ exclusive showrooms which helps in promoting its range of products to a wide range of consumers.

The Company's shares are listed and traded on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

## PRIDE

- Asian Granito India Ltd. was acknowledged as a 'Power Brand Rising Star' in India by Planman Marcom in 2012.
- The Company's brands were recognised as the most trusted brands in the floor and wall categories in 2011 by *Reader's Digest*.
- Asian Granito India Ltd. was acknowledged as a 'Indian Power Brand' in India by Planman Marcom in 2013.

## OUR BRAND-ENHANCING HOSPITALITY CLIENTS

THE LEELA PALACES, HOTELS AND RESORTS, ITC HOTELS AND BHARATI HOTELS

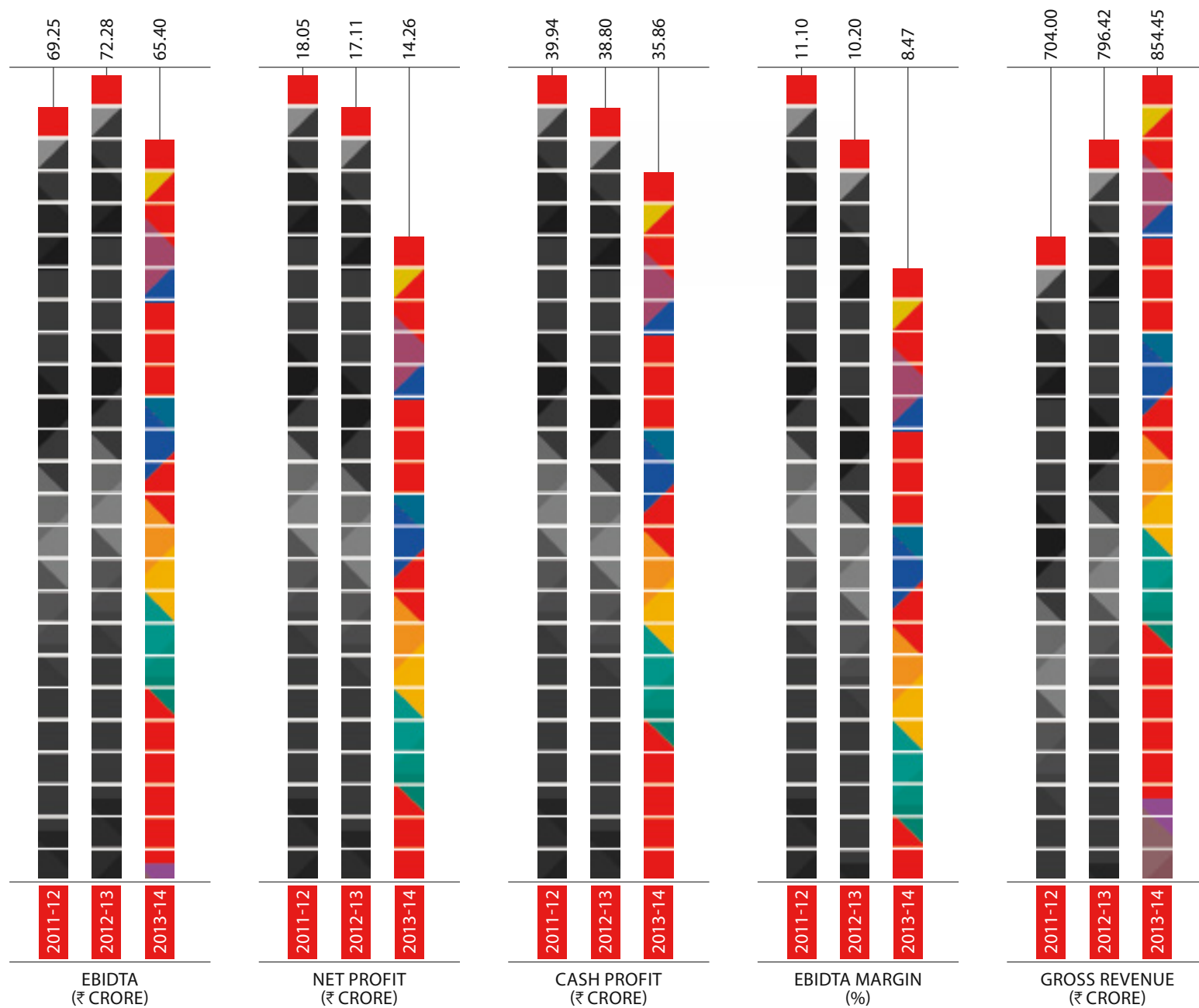
## OUR BRAND-ENHANCING REAL ESTATE CLIENTS

ADANI GROUP, LODHA GROUP, GODREJ GROUP, TATA GROUP, ANSAL API, DLF MASTERS, UNITECH, SHOBHA DEVELOPERS, BRIGADE GROUP, SLS DEVELOPERS, ROHAN HOUSING, KLE SOCIETY, PRESTIGE GROUP, SRIRAM PROPERTIES, KEERTHI ESTATES, SKYLINE BUILDERS, MUTHOOT DEVELOPERS AND KENT CONSTRUCTION

## OUR BRAND-ENHANCING EDUCATION CLIENTS

RAJASTHAN AGRICULTURAL RESEARCH INSTITUTE (JAIPUR), MANIPAL UNIVERSITY (JAIPUR), CENTRAL UNIVERSITY OF RAJASTHAN (JAIPUR), SDM INSTITUTE OF TECHNOLOGY (UJIRE), RAJA RAJESHWARI MEDICAL COLLEGE (BENGALURU)

# 2013-14 in retrospect



# Milestones

## 2002

Produced ceramic floor tiles of size – 16"x16" – 2,500 square metres per day

## 2003

Ceramic floor tiles production capacity touches 6,000 square metres per day

## 2004

Established Asian Granito India Ltd. (AGL), Himmatnagar, for production of vitrified tiles of size – 24"x24" & 20"x20" - 4,000 square metres per day

## 2005

Expanded production at Himmatnagar plant to 6,000 square metres per day and introduced a new size of – 36"x36"

## 2006

- Further expansion of production at Himmatnagar plant to 18,000 square metres per day.
- Established Wind mill power project at Vanku in Kutch District.

## 2007

Came out with public issue and launched AGL TILES WORLD (Company display center) in 14 cities namely Ahmedabad, Bangalore, Chennai, Coimbatore, Gandhinagar, Himmatnagar, Jaipur, Kochi, Mumbai, New Delhi, Pune, Kolkata, Chandigarh and Surat

## 2008

Launched exclusive collection of wall tiles and introduced India's largest and finest size: 300x900mm with a production capacity of 10,000 square metres per day.

## 2009

Started production of an exclusive range of AGL marble stone (10x4 square feet slabs)

## 2010

- Expanded production capacity of wall tiles up to 20,000 square metres per day.
- Established new digital printing technology for ceramic wall tiles.
  - Launched new brand - Bonzer7

## 2011

- Started production of AGL quartz stone (10x4 square feet slabs)
- Launched digital glazed vitrified tiles
- Introduced 4-colour digital technology
- Increase in AGL TILES WORLD showrooms to 20 and 18 depots across India

## 2012

Introduced 6-colour digital tile printing technology

## 2013

- Expanded product range in the value-added category by introducing hi-tech tuffguard digital porcellanto in 600x600 square millimetres size
- Introduced digital glazed vitrified tiles in tuffguard range in 800x800 square millimetres and 605x605 square millimetres variants
- Increased the number of AGL TILES WORLD outlets to 50

## Chairman's message



Let me begin by congratulating, one and all for the stable progress achieved during the financial year. The market remained fragile through most of 2013-14. Every industry across the globe endured a rough time, and we were no exception. Yet 16.67 per cent decline in our profit after tax, we reported a 7.29 per cent growth in our consolidated revenues.

**A**sian Granito India Ltd. (AGIL) has reported a revenue growth of 22.08 per cent over the corresponding period in 2012-13 and a 10.94 per cent increase in revenues over the immediate preceding quarter. I am happy to state that this improvement corresponded to a growth in our bottomline from ₹2.81



crore in the third quarter to ₹5.90 crore in the last quarter of 2013-14. This rebound has helped us maintain and sustain the positive momentum, with an aim of reporting even better figures in the near future.

We are a strong business, growing stronger and apart from communicating an improvement in our performance, the principal message that I wish to convey to all our stakeholders is that we at Asian Granito India Ltd. (AGIL) are increasingly geared to ensure greater responsiveness, and flexibility. Over the last couple of years, this direction remained unchanged. The Company has been recognised for its competitive spirit, for its analytical thinking, and for its ability to lead the change.

Our shareholders have been accustomed to higher averages; consequently we constantly strive to maintain the same trend. Shareholders are requested to look at the positive side, that even during the trough –2013-14, was clearly one of the years – the Company reported a cash profit of ₹35.86 crore, which is remarkable considering the weakness in consumer sentiment prevailing in the country.

It is my firm belief that the most genuinely strategic and forward-looking businesses treat commitment as a core component of business delivery, and this component at Asian Granito India Ltd. (AGIL) has been reignited. This has been manifested through a number of initiatives:

### PRODUCTION MIX EVOLUTION

We are shifting the manufacture of low-value tiles to our outsourcing and joint venture partners in Morbi while selecting to allocate our captive capacities towards the manufacture of value-added tiles.

This progressive value-addition (larger format, thicker vitrified tiles, double-charged, nano finish and increase in digital machines from one to seven to a projected ten in 2014-15) is expected to reflect in rising average realisations, quicker offtake and increased profitability in the near future.

We are widening our product range from ₹20 per square foot to in excess of ₹300 per square feet. Recently, taking a step ahead in defining beauty and class, the company has recently introduced Carrara White

world's whitest unglazed vitrified tiles with 'L' value >90 in the market.

### IMPROVED MARKET REACH

Apart from manufacture of value-added tiles; the Company will market these in a correspondingly uplifting environment.

The Company expects to generate at least ₹250 crore revenues by increasing the number of exclusive shops through which these tiles can be marketed, from 50 to 80 in 2014-15.

This retail format is expected to reap incremental rewards, three years from now.

### CUSTOMISED STRATEGIES

In an ever-changing market that is becoming increasingly complex, marketing strategies need to become more customised.

At Asian Granito India Ltd., we strategically focused on the Bonzer7 brand launched in 2010 for gaining a greater market share, expand production and enhance reach (separate independent brand from the house of Asian Granito India Ltd.).

This initiative was given shape by two separate marketing teams

focusing completely on their defined areas and also via the involvement of segregated dealer networks.

Bonzer7 revenues grew from 49 per cent of the Company's overall revenues in 2012-13 to 7.29 per cent during the year under review and expect to increase this to an estimated 11.18 per cent by 2015-16.

### GLOBAL FOOTPRINT

Asian Granito India Ltd. (AGIL) has selected to prudently widen its international footprint over the years. Resultantly, the Company has increased the number of countries addressed from 20 to 47, possibly the largest number of countries exported to by any Indian tile company.

The Company has also commissioned an international retail outlet in Johannesburg, possibly one the first such instances ever undertaken by an Indian tile brand, which we hope to replicate in Italy and China.

### INCREASED PRODUCTION CAPACITY

With Bronzer7 and AGL brands having the potential to shoulder a larger production throughput, we recognise that there are two ways of increasing production –

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The Company expects to generate at least ₹250 crore revenues by increasing the number of exclusive shops through which these tiles can be marketed, from 50 to 80 in 2014-15.

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the conventional asset-intensive approach of investing in one's own manufacturing capacity, or the relatively asset-light approach of investing in joint ventures and alliance partnerships whereby we engage with partners who invest in their capacities in exchange for assured product buyback.

Among the initiatives that are expected to evolve the Company to that point comprise the procurement of 75 per cent output of a plant that enjoys access to low cost natural gas, which will translate into a lower procurement cost for the Company. Besides, we are providing this alliance partner the technology to manufacture the value-added double-charged tile, generating 30 per cent higher revenues over the prevailing average. Such win-win partnerships are expected to strengthen the Company's profitability.

### EXPLORE NEW HORIZONS

We recognise that over time, the Company needs to broad-base its product mix. This can be initiated by a significant shift from dependence on tiles to alternative interior products like polished engineered stone as well as an extension from resin-bonded marble to cement-based marble (which could enhance the utilisation of our engineered stone facility).

### EVOLVING SECTORAL ENVIRONMENT

There are three main reasons why one should be fairly optimistic of the Company's prospects at this juncture of our existence.

**ONE**, we expect India's tile sector to grow considerably during the current financial year, if not higher. This seems to be made possible by the new dynamic leadership at the centre in our country. The real estate sector is sure to see another rise and this is sure to catalyse the offtake of tiles and interior aesthetic material.

**TWO**, the introduction of GST in India, the general consensus of exports, could add 150-200 bps to the country's GDP growth rate, benefiting tile manufacturers like us.

The organised segment of our sector is likely to outperform its erstwhile average for another reason – the introduction of GST is likely to bring a number of unorganised tile producers into the country's tax net for the very first time, increasing their production costs and narrowing their pricing advantage vis-a-vis tax-paid branded tile products.

**THREE**, over the last couple of years, the centre of gravity within the global tiles sector has shifted towards India for some pertinent reasons:

- Lowest cost of manufacture.

- Variety in range: Entry-level to value-added sophisticated tiles.

Globally established design capability and overall competitiveness in digital wall tiles.

- Gujarat manufacturers have established a global cost leadership in the area of wall tile manufacture; the international gas cost is pegged around \$0.75 per cubic metre compared to a competitive Indian gas cost of \$0.50 per cubic metre; while large global manufacturers sit on nearly eight months of finished stocks, Indian operations are generally leaner with about 45 days of finished product inventory.

I would hereby like to impress upon our shareholders that with the external environment continuing to remain encouraging, Asian Granito India Ltd. (AGIL) has invested in various initiatives that should translate into higher-than-industry growth leading to projected revenues of ₹1,000 crore in 2014-15, enhancing value in the hands of those who own shares in our Company.

With warm regards,

**Kamlesh Patel**

Chairman-cum-Managing Director

## SUMMARY

- Quarter-on-quarter growth of revenue in 2013-14
- The hunger is back at Asian Granito
- Product mix is changing with an emphasis on value-added segment
- Focus on marketing: increasing the number of exclusive showrooms
- Segregation of brands: Bonzer7 and AGL to improve effectiveness
- Increasing production through capacity building and joint ventures
- Widening our global footprint; increasing exports
- Improving international presence: retail outlet in Johannesburg
- Growth in real estate sector will increase tiles demand
- Positive outlook for 2014-15

## LEADING THE CHANGE!

- The Company selected to float its IPO in 2007-08 at a time when the visibility for tile companies was minimal in the country
- The Company launched engineered stones for the first time in India through domestic manufacture in 2008
- The Company embraced the depot format of distribution at a time when most companies had exited this system; the direct (factory-to-dealer) approach encouraged dealers to stock small quantities of value-added tiles, strengthening their trade confidence
- The Company was one of the first in India to introduce digital tiles in 2010, enhancing traction for these products across the country
- The Company was one of the first in its sector to enter into a joint venture with an Italian tile company, for outsourcing raw material
- The Company was among the first among promoter-led tile companies to evolve to a promoter-professional hybrid marked by enhanced control and delegation of responsibilities
- The Company was among the first to experiment with cinema hall advertising, enhancing visibility at optimised costs



**Leading  
the change...by**

**dem  
ocracy  
sing**  
**the vitrified trend**





**ASIAN GRANITO INDIA LIMITED HAS BEEN A GAMECHANGER FROM THE VERY OUTSET AND NEVER WAS THIS FACT BETTER DEMONSTRATED THAN WAY BACK IN 2002.**

**T**he country was largely engaged in the import of vitrified tiles from China as opposed to domestic manufacture. This decision to import vitrified tiles was justified on a number of counts – that the country's market was relatively small to warrant manufacture since the product was largely addressing a niche segment; that there was no guarantee that the market would not graduate beyond vitrified tiles, endangering investments being made in the product; that there was no certainty that prices would hold.

Asian Granito singlehandedly changed the rules of the game. The Company countered the prevailing pessimism by commissioning the country's first manufacturing line for vitrified tiles.

The impact of the reduced prices went far beyond liquidating the

Company's production. It helped bring Chinese imports to a virtual standstill, it helped enhance product availability and widen the market. What was for long being perceived as exclusive now began to be seen as inclusive product.

By becoming the first to swim against the current, Asian Granito helped create the foundation of the country's vitrified sector from scratch; what was a consumption appetite of less than 10 million square metres a year around the turn of the century is now estimated at 225 million square metres a year; what was only a market where two companies locked horns in vitrified tile manufacture has now extended to more than 100 today; what was priced at ₹140 per square feet, now addresses a wider consumption base at less than a third of the cost.

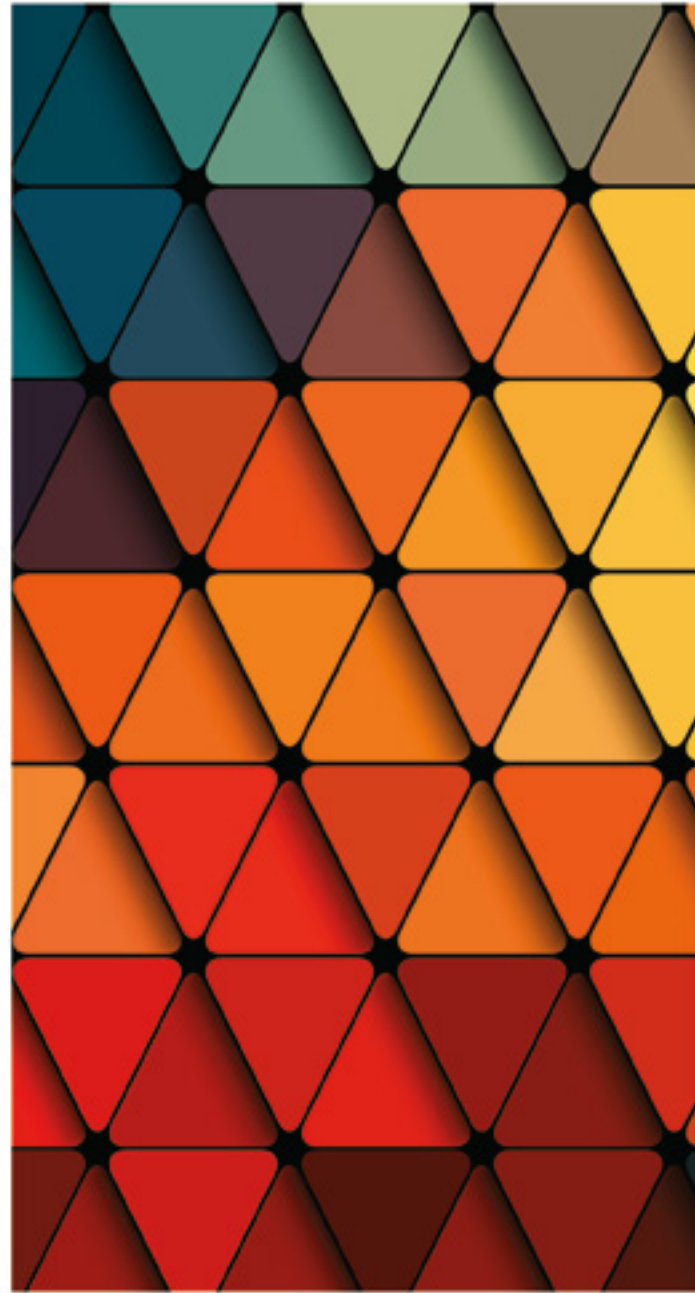
*All because one company selected to lead the change!*

Leading the  
change...by

The logo for Introqucing is a stylized, multi-colored wordmark. The letters are filled with various colors including blue, red, orange, yellow, and teal, creating a vibrant, geometric pattern. The word is arranged in three lines: 'intro' on the top line, 'quc' in the middle, and 'ing' on the bottom. A small square icon with a diagonal split of blue and yellow is positioned to the left of the 'i' in 'intro'.

intro  
quc  
ing

engineered stone in India





FOR YEARS, IT WAS CONSIDERED PRUDENT TO IMPORT ENGINEERED STONE INTO INDIA ON THE GROUNDS THAT DEMAND WAS LIMITED AND MOST PEOPLE PREFERRED NATURAL MARBLE INSTEAD.

**T**he management at Asian Granito took a contrarian view that perhaps the time had come to commission a domestic manufacturing capacity, engage in concept marketing, widen consumption and carve out a dominant market share,

So even as the skeptics shook their heads, Asian Granito commissioned India's first factory for the manufacture of engineered stone (installed capacity 10 million square feet per year).

The Company was convinced this was a product whose time had come for a number of reasons: the material utilised 80 per cent of the waste generated from the extraction of natural marble from quarries, the material was priced attractively compared to natural marble, the product could be customised in terms of designs, shades, patterns and varied finishes with unique characteristics like glossiness, surface hardness, compactness and low water absorption. Best of all, the product was considered environment-friendly and

an ecologically responsible answer to the hue and cry raised against rampant marble quarrying in the wake of infrastructural growth.

The development of the portfolio of engineered stone represented a perfect foil to the Company's existing product mix for another reason: it widened flooring solutions on offer and the Company's average realisations matrix from ₹150 per square feet to ₹165 per square feet.

Over the years, Asian Granito has not only helped create a new division; it has helped create an industry. The Company accounts for 45 per cent of the market for engineered stone in India today; it reported revenues worth ₹130 crore during the year under review and contributed attractively to the Company's bottomline.

The country's engineered stone market has grown from a point where it tentatively imported engineered stone to a point where it consumes 15 million square feet per annum.

*All because one company dared to look beyond the obvious and lead the change.*



# Managing Director's review

Mukeshbhai Patel reviews the Company's performance in 2013-14

**Q** Were you pleased with the Company's working during the year under review?

**A** The answer is both 'yes' and 'no'. On the one hand, we were disappointed that even as the Company reported an increase in revenues by 7.29 per cent to ₹854.45 crore, there was a 16.67 per cent de-growth in our profit after tax to ₹14.26 crore. On the other hand, we were fairly pleased to have achieved what we did against the backdrop of a slowdown in the country's economy, which affected a number of tile manufacturers.

**Q** What factors affected the Company's operations?

**A** There were a number of factors that transpired simultaneously, affecting our operations.

**ONE**, the decline in profits was largely the result of a month-long shutdown in our industry in Gujarat to protest the sharp increase in the cost of gas. This shutdown resulted in a notional revenue loss of around ₹60-80 crore with a corresponding loss in profits even as a number of fixed costs continued to bog us down.

**TWO**, there was a decline in the launch of large government projects, which affected

us stupendously, a company that relied on institutional business to the extent of 70 per cent of its revenues. This was aggravated by the real estate slowdown, marked by a declining number of new launches and a slower offtake of projects already launched.

**THREE**, there was an unprecedented increase in the cost of gas from ₹39 to ₹48 within the space of 12 months. The impact of the increase in the gas cost can be considered as perhaps the largest impact in terms of feedstock costs in any single year of our existence.

**FOUR**, the rupee was at its most volatile in any single year since our inception; weakening from a peak of ₹53.70 to the US dollar to a trough of ₹68.36 and then rebounding to ₹60.00. Given such adverse circumstances, it would be fair to say that the Company's core competencies helped address a number of these challenges, without which the profit after tax during the year under review would have been even lower.



## Q What initiatives helped the Company counter these challenges?

**A** The Company recognised that the only way to counter the prevailing reality was by effecting changes in what it marketed, how it marketed and where it marketed. Take the 'what' for instance. One of the big initiatives that we undertook during the fiscal was the progressive premiumisation of our product mix. We recognised an interesting trend

emerging within the country's interiors – widening of the market and an increasing demand for premium products. The Company increased its product capacity (direct and outsourced) on the one hand; during the last financial year, it also embarked on a number of initiatives to introduce value-added products (digital, textured and larger

products) – from 12 per cent of its product mix in 2013-14 to a projected 30 per cent during 2014-15; we extended our average realisations range from a peak ₹340 (2012-13) per square metre to ₹360 (2013-14) per square metre and expect to take this growth to ₹375 (2014-15) per square metre in the current financial year.

## Q You mentioned 'how the product was marketed. Can you elaborate?

**A** For years, the Company had marketed all its products through a single marketing channel. During the last financial year, the Company recognised that there was a need to customise the marketing channel with the nature of the product being marketed. So when it came to marketing value-added products, the Company recognised that it needed to adapt its marketing channels accordingly. The result was that we took a long-term approach; the Company selected to segregate its marketing channels – the value-added products marketed by the Company

would have a different marketing channel, resulting in enhanced focus, competence and effectiveness. The impact was manifested in our numbers: the proportion of value-added products increased from 19.00 per cent of overall revenues to 25.00 per cent. Besides, an extension of this approach, the Company created marketing teams to address the growth coming out of institutional customers. In the past, one team addressed all customer segments; during the last financial year, the Company created a team that focused exclusively on government contracts and a

team that focused exclusively on real estate customers. This sub-segregation was inspired by palpable growth in those segments – for instance, the government has announced housing projects worth ₹3 lac crore which will need precisely the kind of products that we make; besides, we began to see some of the large real estate companies in the country launching new projects, so we responded with a team that would focus on emerging realty projects. I am optimistic that the upside from this initiative will start becoming visible FY 14-15 onwards.

## Q What other initiatives helped the Company counter the prevailing slowdown?

**A** At Asian Granito, we recognise that marketplace effectiveness is not only derived from the prudent segregation of who markets what; it is also derived from the ability to widen and deepen one's terrain coverage. At the start of the last financial year, we had 2,800 market representatives (800 direct and

2,000 indirect), which we expect to raise to 5,000 in three years. As a greater proportion of India's demand for interior products (tiles and ancillaries) is derived from its rural pockets, it is becoming increasingly critical to be present across a wider and deeper spectrum. The result is that the Company increased its non-

metro presence from a point where we had a dealer in every district in the states of our presence to a point where we are focusing on establishing a presence across all population clusters of 20,000 and above.

## Q How does the Company expect to perform in 2014-15?

**A** During 2014-15, we expect to see an effective volume-value play building up – and generate a significant increase in our volumetric

throughput on the one hand, coupled with a similar increase in our average realisations on the other, which we feel will translate into

enhanced value in the hands of all those who have bought into our Company.

# Our business model

## POSITIONING

At Asian Granito, we have consciously selected to position ourselves as an interior aesthetic solutions company as opposed to our conventional positioning as a tiles manufacturer. This positioning is consistent with our stated objective of extending beyond tiles to ancillary interior products. We expect to leverage our brand, distribution network, retail access and Balance Sheet to boost our product portfolio, strengthen our revenues and widen our market presence.

## BRANDS

At Asian Granito, we recognise that our principal assets are our brands. At our Company we principally work with three brands – our corporate brand of Asian Granito India Limited, our flagship brand of AGL and Bonzer7.

The principal objective of the corporate brand is to enhance stakeholder confidence through governance practices (ethics, transparency, regulatory compliances and credible communication with stakeholders). The principal objective of the AGL brand (owned by the Company) is to inspire a value-for-money proposition among consumers, reflected in product quality, accessibility and range. The principal objective of the Bonzer7 brand is to inspire premiumness in line with evolving lifestyles.

## CAPACITY

At Asian Granito, the definition of 'capacity' has evolved over the last few years. A number of organised tile manufacturers have selected to outsource their production from unorganised manufacturers for mutual benefit – while this has provided organised manufacturers with access to immediate capacity without making significant capital expenditure, it has provided the unorganised manufacturers with access to a robust brand (and hence offtake). At Asian Granito, we possess manufacturing capacity of 36 million square metres a year including outsourced capacity. This consolidated capacity makes the Company the fourth largest in its industry space. The proportion of the revenues derived from outsourced capacity has increased from 33 per cent in 2012-13 to 37 per cent in 2013-14.

## PREMIUMISATION

At Asian Granito, we entered the business of tile manufacture with the objective to democratise tile ownership (especially the vitrified category), focusing on reducing prices and widening the market. We recognise that while we continue enhancing the price-value proposition, the first phase of tile democratisation is over. Over the last few years, increasing disposable incomes have kick-started the second phase whereby consumers are graduating to better quality tiles. Consequently, the Company intends to progressively increase the proportion of value-added tiles in its product mix (double-charged, digital, larger format, different textures, sophisticated finishes): from 25.00 per cent in 2013-14 to a projected 30 per cent in two years with a corresponding increase in average realisations and profitability.

## MARKET COVERAGE

At Asian Granito, we have selected to be a company focusing on operations centred in Western and Southern India, which cumulatively accounted for 60 per cent of the Company's revenues during the year under review (25 per cent coming from North India). The selection of these markets was prudent; they represent the fastest growing regions within India today. Besides, 40 per cent of the Company's sales are derived from within 500 kilometres of its plant (resulting in lower logistic costs, shipment and breakages) and the Company is the leader in Gujarat, ranks second in Madhya Pradesh and Maharashtra third in Tamil Nadu. Over the foreseeable future, the bulk of our endure, the Company will attempt to increase the volumes coming out of each of these regions with the objective to strengthen its positioning as a national player.

## GLOBAL

At Asian Granito, even as we derive a dominant proportion of revenues from within India (97 per cent in 2013-14), we consciously selected to create a global personality. This was reflected in two realities – the decision of the Company to widen its international footprint across 47 countries as opposed to the decision to focus on generating sales from a handful; the decision of the Company to commission a retail outlet in an international geography (Johannesburg, South Africa) with the objective to reach its products directly to consumers (without intermediaries). This global presence made it possible for the Company to leverage its large domestic presence on the one hand and keep growing its global exposure on the other.

## PRODUCT RANGE

At Asian Granito, even as we focused on progressive premiumisation, we recognise that we needed to occupy all relevant price points. Resultantly, the Company has in its portfolio products at the consumption entry point of ₹20 per square feet as well as products at incremental price points leading up to a peak of ₹300 per square feet. This range did not merely address all relevant price points; it allowed customers to graduate their product selection without needing to switch brands, transforming transactions into relationships.

## SALES MIX

At Asian Granito, we have selected to address the incremental demand coming out of the country's institutional segment. Nearly 50 per cent of the Company's revenues during the year under review were derived from institutional customers; 55 per cent of revenues were derived from repeat customers. The Company's geographic positioning – Western and Southern India – makes it possible to address the growing demand coming out of the realty, hospitality and educational sectors.

## TECHNOLOGIES

At Asian Granito, we selected to invest in some of the best global technologies, which provided a convergence of the following – the best product quality, the lowest cost of manufacture, the highest capacity utilisation, the ability to absorb technology improvements as they are introduced and the ability to achieve qualitative consistency. The Company invested in SACMI technology from Italy. The Company applied this demanding technology filter when selecting vendors as well, resulting in the highest quality and price-value proposition.

## MANAGEMENT MIX

At Asian Granito, much of our marketplace effectiveness is derived from the balance of our promoter and professional interests. So even as the Company was started by entrepreneurs with direct hands-on management control, the promoters have gradually vacated certain functional spaces in favour of professionals with rich industry experience and moved to strategic decision-making roles. The result was that decisions at the Company are being taken closer to the ground than before, customised around local realities and more responsive to the prevailing marketplace realities.

# Leading the change and how this has translated into our numbers

Asian Granito was one of the fastest growing tile companies in India in the period in the last ten years.

During this period, the Company grew its revenues at a rate of 30 per cent compounded annually, outperforming the industry average growth of 12-15 per cent during this period.

The Company intends to focus on volume growth, premiumisation, exports, and superior brand spending.

Making it possible to lead the change with unabated intensity.

## STRENGTHENING BRAND SPEND EFFICIENCY

**1.5%**

of sales spend for the brand building,  
2012-13

**2%**

of sales spend for the brand building,  
2013-14

**2.50%**

of estimated sales spend for the brand  
building, 2014-15 (estimated)

## DEALERS AND RETAILERS

**2,500**

Number of dealers and retailers,  
2012-13

**2,800**

Number of dealers and retailers,  
2013-14

**5,000**

Number of dealers and retailers in three  
years time

## INTERNATIONAL PRESENCE

**37**

Number of countries exported to,  
2012-13

**47**

Number of countries exported to,  
2013-14

**65**

Number of countries exported to,  
2014-15 (estimated)

## Our strengths

### ENTRENCHED EXPERIENCE

The promoters of Asian Granito India Ltd. possess two decades experience and the Company has got over 200 million square metres of space decor under its belt.

### OFFERINGS

The Company's product portfolio addresses the needs of a wide income range. The Company's tiles segments extend from ₹20 to more than ₹300 per square feet.

### STRONG FINANCIALS

The Company is among the most profitable ceramic tile manufacturing companies in India (as measured by PLIMSOL and rated as 'strong' in a new Global Market Report), with a y-o-y topline growth of 30 per cent.



**1,200+**

Designs as on March 31, 2014

**8**

Manufacturing units\*

\* including associates and exclusive tie-ups

**1,00,000+**

Capacity (square metres per day)\*

\* including outsourcing

**50+**

Showrooms as on March 31, 2014

**15**

Display centres as on March 31, 2014

**6,000+**

Employees as on March 31, 2014

### CERTIFICATIONS

The Company's acquired ISO 9001:2008 and ISO 14001:2004 certifications for its state-of-the-art manufacturing facilities, reflecting procedural consistency. The Company's CE certification and status as an IGBC member, vindicates its excellence in the realms of export and environmental sustainability.

### ALLIANCES

The Company entered into a joint venture with Panaria which will provide technical know-how to enhance product quality and access to global markets through its proprietary distribution network while Asian Granito will continue providing world-class products around a competitive price-value proposition.

### STABILITY

The Company was rated at 'ICRA A-/A2+' on the back of its ability to service financial obligations in a timely manner and by carrying a low credit risk.

# tiles

82%

Contribution to total revenues in  
2013-14

₹ 703 crore

Gross revenues in 2013-14  
compared to ₹687 crore in 2012-13

## OVERVIEW

Asian Granito pioneered the manufacture of vitrified tiles in India a decade ago. Asian Granito manufactures different tile sizes and over 1,200+ different design patterns.

The Company's total tile production capacity stood at 81,000 square metres per day including outsourcing at the close of 2013-14. Within just 11 years, Asian Granito has raised its production volume eight times. Nearly 97 per cent of revenues were derived from within India.

## LEADING THE CHANGE

The Company was among the first in the country to enter into sourcing alliances and joint ventures with Italian companies for value-added tiles.

The Company embraced digital technology in 2010 and now possesses cutting-edge digital printing lines.

## STRENGTHS

**Brand:** The Company is positioned as an aesthetic interior solutions provider.

**Experience:** The Company possesses 14 years of experience in the manufacture and marketing of tiles.

**Technology:** The Company uses SACMI technology for the production of tiles.

**Presence:** The Company markets products pan-India (Metro, Tier-I and Tier-II locations) and in 47 countries, globally.

**Product portfolio:** The Company offers a variety of sizes, designs and surface finishes. The Company's product basket comprised over 1,200+ designs and 25 sizes.

## Offices and AGL exclusive

**showrooms:** 18 offices with Company showrooms and 50 AGL exclusive showrooms.

## HIGHLIGHTS OF 2013-14

- During the year under review, the Company marketed bulk of its total production within 500 kilometres of its Himmatnagar manufacturing units.

- During the year under review, the Company introduced Carrara white tile claimed to be as the world's whitest unglazed vitrified tiles in larger format. Carrara White echoes its superiority over traditional marble flooring in terms of whiteness and superior aesthetics & truly stands apart as the world's whitest tile that is easy to install as compared to the marble flooring.

- The Company launched 'special high-end' vitrified and wall products which include tuffguard, microcrystal, third fired and higher-end vitrified products in 800x800 square millimetres size (double-charged).

- The Company extended its presence from 37 countries in 2011-12 to 47 countries in 2013-14;

3 per cent of the total production was exported during the year under review.

- The Company's first pass tile percentage stood at 89.00 per cent in 2013-14.
- The Company added 300 dealers and sub-dealers during the year (total 2,800).
- The Company commenced airing TVCs and also used in-theatre commercials and radio jingles to advertise its products.

## OUTLOOK

The Company plans to introduce 400 SKU's ranging from double charge 800 x 800 square millimetres, digital wall tiles 300 x 450 square millimetres/300 x 600 square millimetres/300 x 900 square millimetres/248 x 325 square millimetres/248 x 375 square millimetres and hi-tech tuffguard 397 x 397 square millimetres new tile designs in 2014-15. The Company intends to accelerate its throughput to emerge as the third largest Indian tile company and the second largest in two years (from its fourth position).

BUSINESS SEGMENT

# marble and quartz

15%

Contribution to total revenues in  
2013-14

₹ 126 crore

Gross revenues in 2013-14  
compared to ₹96 crore in 2012-13

## OVERVIEW

Asian Granito accounts for a sizeable share of 45 per cent of India's engineered stone market. The Company offers slabs in the 3,025x1,225 square millimetres segment, which enjoys a lot of popularity as it addresses large-sized requirements.

The Company's products were marketed to real estate, infrastructure, hospitality, education and health sectors.

## STRENGTHS

**Superior quality:** The Company offered engineered stone whose quality was at par with that of imported marble. The Company customised its products around glossiness, water resistance, compactness and abrasion resistance.

**Affordability:** The Company offered engineered stone across price ranges - the mass range of ₹60 to ₹100 per square feet; the mid-level range from ₹100-180 per square feet; and the plush range from ₹150-200 per square feet.

**Eco-friendly:** The Company utilised 80 per cent of the waste generated from marble quarrying, promoting the cause of resource conservation.

**Unique features:** The Company's engineered stone is bacteria-free with low porosity and ideal for hospitals. The product is low-maintenance in nature as well as stain and scratch-resistant.

**Designs:** The Company offered a variety of more than 1,200 designs to broaden the element of choice for the consumers.

**Marketing:** The Company had more than 60 dedicated marketing executives looking into this division, the largest in India. The Company's products were available in more than 20 locations dotted across the length of the country.

## PERFORMANCE, 2013-14

- Average realisations grew by 10 per cent to ₹150 per square feet.
- The Company expects to go

for LEED (Leadership in Energy and Environmental Design) certification enlistment which would catalyse offtake from the real estate sector.

- The Company reported a value growth of 25 per cent corresponding to a volume growth of 5-10 per cent.
- The Company offered even sizes, resulting in cutting losses of only 2-3 per cent, compared to natural stone which usually exhibits cutting losses of around 15-20 per cent.
- The Company provided education and training for on-site engineers, interior designers and stonemasons in a bid to enhance offtake.

## OUTLOOK

The business is expected to do better due to government stability and increased infrastructural spending. The Company plans to increase segmental revenues to ₹250 crore by 2017.

# Risk management

AS A DIVERSIFIED ENTERPRISE, ASIAN GRANITO HAS ALWAYS HAD A SYSTEM-BASED APPROACH TO BUSINESS RISK MANAGEMENT. THE DISCIPLINED APPROACH COUPLED WITH TIMELY EXECUTION OF PROACTIVE COUNTER-MEASURES STRENGTHENED OUR VIABILITY ACROSS VERTICALS, PRODUCTS, GEOGRAPHIES AND MARKET CYCLES.

## DEMAND RISK

Increasing tile capacities could result in an over-supply position.

### RISK MITIGATION

The demand for tiles has grown consistently at about 12-15 per cent over the last five years and this trend is expected to continue.

**Demand:** The advent of low-cost affordable housing, emphasis on providing total sanitation for every household by 2019 and the planned introduction of metro rail networks in Lucknow, Nagpur and Ahmedabad are expected to spur tile offtake. Moreover and the allocation of ₹7,060 crore towards the development of 100 'smart cities' and the intended establishment of seven 'industrial cities' as per Union Budget 2014-15 will mean a major opportunity for tile manufacturers like us. Growing

urbanisation and nuclear families is rapidly increasing housing demand in India which is cascading into robust growth of the tile sector. The spread of roads, telephones and electricity is helping urban centres extend, creating new population clusters – the number of 'census towns' in 2011 was 3x that in 2001, resulting in the emergence of significant housing demand from non-metro locations (smaller urban centres, Tier-II and III towns). Besides, the spread of the organised retail and the BFSI sector to the Tier-II and Tier-III towns has boosted tile demand in India.

**Supply:** In keeping with the growing tile demand, capacity has also increased but at a slower

pace. Besides, much of the capacity addition in the organised sector represents inorganic initiatives (joint ventures and partnerships with quality-respecting unorganised players); fresh capacity build-up has been comparatively smaller.

The sizeable latent opportunity in the Indian tile sector is reflected in India's per capita tile consumption which stands at an abysmal 0.46 square metres against the European average 6.50 square metres and Chinese average of 2.60 square metre. A small uptick towards the global average would dwarf all planned capacity additions.

## COMPETITION RISK

Growing competition in the tile space could impact the business growth.

### RISK MITIGATION

This risk applies to all Indian tile manufacturers. Interestingly, the risk profile has changed significantly where competition from the organised sector has become more intense.

**Imports:** The depreciating rupee and significantly improved capabilities of the organised sector which allows it to offer reasonably-priced, internationally-benchmarked products has

reduced the relevance of imported material significantly.

**Unorganised segment:** The recent government order to ban the use of coal gas by unorganised players concentrated in Morbi, Gujarat is expected to marginalise competition. Besides, increasing disposable income has fuelled aspirations of branded players.

**Organised segment:** Asian Granito is among the top-four

Indian tile companies which continuously invest large sums on rejuvenating its product portfolio with new sizes, superior designs, finishes and textures, strengthening the brand recall among discerning customers.

Consequently, the Company's topline has grown at a 30 per cent CAGR over the last ten years, outperforming the sectoral average of 12-15 per cent over the same period.



## GEOGRAPHIC RISK

Over dependence on a particular region for majority of the sales could hamper business growth over the medium-term.

### RISK MITIGATION

The Company's sales are concentrated in Southern and Western India (accounting for 60-65 per cent of its sales volume), which also happen to be the hub of real estate development in India. This benefits the Company in two ways:

- Faster liquidation of inventory – as all the factories are located in Gujarat, the bulk of the Company's

sales happens within 500 kilometres of its manufacturing facilities, and

- Lends the Company an insight into emerging trends and preferences.

Moreover, the Company has a strong distribution network comprising 2,800 dealers and sub-dealers which enable it to capitalise on emerging demand pan-India; the widening distribution network

over the next two to three years will further neutralise the volume concentration in Southern and Western India.

Further, the Company has a wide global footprint across 47 nations, an important geographic de-risking initiative, which also doubles up as a tool to maximise capacity utilisation for deriving economies-of-scale.

## INFLATION RISK

Inflationary headwinds could adversely impact the Company's cost structure and jeopardise business profitability.

### RISK MITIGATION

The Company has managed this risk in a two-pronged manner.

**Cost management:** The Company replaced imports with sourcing products from domestic tile manufacturers which facilitates in controlling manufacturing costs – currently outsourcing accounts for nearly 37 per cent of its sales volumes. Also, the Company

implemented a number of initiatives at its own manufacturing units to optimise power and fuel consumption and packaging material usage.

**Value-addition:** The Company focused on value-addition by introducing large-sized tiles (800x800 square millimetres) and digitally-printed tiles (15 per cent of the output from own unit) which

increased the average realisation over the previous years. Besides, initiatives to improve quality resulted in an increase in Grade-A quality tiles to 89 per cent which further strengthened realisations.

The combination of these factors resulted in increase in average realisations range from ₹340 (2012-13) per square metre to ₹360 (2013-14) per square metre.

## FINANCE RISK

Inability to garner adequate low-cost funds could hamper business growth.

### RISK MITIGATION

The strength of the Company's financial statements reflect its ability to garner adequate funds for implementing growth initiatives

- A low debt-equity ratio of 0.93 as on March 31, 2014
- Free reserve and surplus balance

stood at ₹257.88 crore as on March 31, 2014

- Net cash from operations stood at ₹35.03 crore in 2013-14; cash profit of ₹35.86 crore in 2013-14

- A draw down of 89 per cent of the sanctioned working capital limit from banks.

- Upgradation of credit rating by ICRA A-/A2+ will also help the Company to negotiate debtor with banks and to introduce new financial products in the market.

Going forward, the Company's focus on value-addition is expected to strengthen liquidity.

# NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the Members of **ASIAN GRANITO INDIA LIMITED** will be held on Tuesday, 30th day of September, 2014 at AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 at 2.30 p.m. to transact the following business:

## ORDINARY BUSINESS:

- (1) To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2014 including the Balance Sheet as on March 31, 2014, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date together with the Report of the Directors and Auditors thereon.
- (2) To appoint a Director in place of Mr. Sureshbhai Patel (holding DIN: 00233565), who retires by rotation and being eligible offers himself for re – appointment.
- (3) To re-appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

## SPECIAL BUSINESS:

- (4) To consider and pass with or without modification(s), the following resolution, as a Special resolution:

**RESOLVED THAT** in supersession of the resolution passed by the shareholders of the Company in the 12th Annual General Meeting held on September 29, 2007, the consent of the Company to the Board of Directors pursuant to provisions of Section 180 (1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the said Act be and is hereby accorded to the borrowing by the Company from time to time such sum or sum(s) of money as they may deem requisite or proper for the purpose of the business of the Company notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall exceed the aggregate of the paid-up capital of the Company and its free reserve that is to say, reserve not set apart for any specific purpose provided that the total amounts together with the money(s) already borrowed by the Company shall not exceed the sum of ₹500.00/- Crores (Rupees Five Hundred Crores Only) at any one time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board of Directors or any committee thereof be and is hereby authorised to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf.

- (5) To consider and pass with or without modification(s), the following resolution, as a Special resolution:

**RESOLVED THAT** in supersession of the resolution passed by the shareholders of the Company in the 12th Annual General Meeting held on September 29, 2007, the consent of the Company to the Board of Directors pursuant to the provisions of Section 180 (1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the said Act be and is hereby accorded to the Board of Directors to mortgage and/or charge the immovable and movable properties of the Company wherever situated both present and future or to sell, transfer, lease, renew lease or otherwise dispose off the whole or substantially the whole of the undertaking or any part of undertakings of the Company in such form and in such manner as the Board of Directors may think fit (including creation of first mortgage/charge or second mortgage/charge or pari passu charge/ mortgage) in certain events/cases for securing any loans and/or advances already obtained or to be obtained from any financial institutions/Banks or person or persons together with additional interest, compound interests, liquidated damages, commitment charges, costs, charges, expenses and all other moneys payable by the Company to the concerned lenders subject to overall limit of ₹500.00/- Crores (Rupees Five Hundred Crores Only).

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board of Directors or any committee thereof be and is hereby authorised to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf.

- (6) To consider and pass with or without modification(s), the following resolution, as an ordinary resolution:

**RESOLVED THAT** pursuant to provisions of sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof for the time being in force] and Clause 49 of the Listing Agreement, Dr. Indira Nityanandam (holding DIN: 06749538), who was appointed as an Additional Director of the Company under Section 161 of the Companies Act, 2013 and Article 100 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the Office of Director, be and is hereby appointed as an Independent Director of

the Company for consecutive term with effect from the date of ensuing Annual General Meeting of the Company upto March 31, 2019.

- (7) To consider and pass with or without modification(s), the following resolution, as an ordinary resolution:

**RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, if any, and the Rules made thereunder, including statutory modification(s) or re-enactment(s) thereof, for the time being in force and Clause 49 of Listing Agreement, Mr. Maganlal Prajapati (holding DIN: 00564105), Director of the Company who retires by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for consecutive term upto March 31, 2019.

- (8) To consider and pass with or without modification(s), the following resolution, as an ordinary resolution:

**RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, if any, and the Rules made thereunder, including statutory modification(s) or re-enactment(s) thereof, for the time being in force and Clause 49 of Listing Agreement, Mr. Shankerbhai Patel (holding DIN: 02179603), Director of the Company who retires by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for consecutive term upto March 31, 2019.

- (9) To consider and pass with or without modification(s), the following resolution, as an ordinary resolution:

**RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, if any, and the Rules made thereunder, including statutory modification(s) or re-enactment(s) thereof, for the time being in force and Clause 49 of Listing Agreement, Mr. Premjibhai Chaudhari (holding DIN: 03404647), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to

hold office for consecutive term upto March 31, 2019.

- (10) To consider and pass with or without modification(s), the following resolution, as an ordinary resolution:

**RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, if any, and the Rules made thereunder, including statutory modification(s) or re-enactment(s) thereof, for the time being in force and Clause 49 of Listing Agreement, Mr. Amrutbhai Patel (holding DIN: 03381404), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for consecutive term upto March 31, 2019.

- (11) To consider and pass with or without modification(s), the following resolution, as an ordinary resolution:

**RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, if any, and the Rules made thereunder, including statutory modification(s) or re-enactment(s) thereof, for the time being in force and Clause 49 of Listing Agreement, Mr. Ajendrabhai Patel (holding DIN: 02284744), Director of the Company who retires by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for consecutive term upto March 31, 2019.

- (12) To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to the provisions of section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification or re-enactment thereof for time being in force, subject to the provisions of the Articles of Association of the Company and such other approvals as may be necessary, Mr. Kamleshbhai B. Patel be and is hereby re-appointed as Chairman & Managing Director of the Company for a further period of five years with effect from January 1, 2014 on the terms and conditions as stated below:

- (A) MONTHLY SALARY: ₹200000 – ₹1000000 p.m.

The Chairman & Managing Director shall also be entitled to:

- (i) Free use of the Company's Car with Driver for the Business of the Company.
- (ii) Free telephone at the residence
- (iii) Reimbursement of all actual expenses including entertainment and travelling incurred in course of Company's business.

- (B) Company's contribution to Provident fund and the pension fund as per the Company's rules provided the Company's contribution to the Provident Fund and Pension Fund will not be included in the Computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity shall be paid as per Company's rule and will not be included in the computation of the ceiling on perquisites.

**RESOLVED FURTHER THAT** where in any financial year closing on and after April 1, 2014 the Company has no profits or its profits are inadequate, remuneration may, be paid as specified under Section II and IV of Part II of Schedule V to the Companies Act, 2013, for the time being in force.

**RESOLVED FURTHER THAT** the Board of Directors and the Nomination and Remuneration Committee be and are hereby severally authorised to alter and vary such terms of reappointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 as may be decided by the Board of Directors.

- (13) To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to the provisions of section 196, 197 and 203 read with Schedule V and other applicable provisions if any of the Companies Act, 2013, including any statutory modification or re-enactment thereof for time being in force, subject to the provisions of the Articles of Association of the Company and such other approvals as may be necessary, Mr. Mukeshbhai J. Patel be and is hereby re-appointed as Managing Director of the Company for a further period of five years with effect from April 1, 2014 on the terms and conditions as stated below:

- (A) MONTHLY SALARY: ₹1,60,000 – ₹7,37,500 p.m.
- (B) The Managing Director shall be entitled to the following perquisites and facilities:
  - I. Medical Reimbursement: Medical expenses incurred by the appointee on self, spouse and dependent children will be reimbursed to him subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
  - II. Personal Accident Insurance: The Company will take Personal

Accident Insurance of Director.

- III. Provident fund and superannuation:  
Company's contribution towards provident fund and the pension's fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.  
Gratuity shall be paid as per Company's rule and will not be included in the computation of the ceiling on perquisites.
- IV. Car with driver: The Managing Director will be provided with a car and driver for use on Company's business.
- V. Telephone: Free telephone at his residence.
- VI. The Company shall reimburse actual traveling expenses incurred by the Managing Director in connection with the Company's business.

**RESOLVED FURTHER THAT** where in any financial year, the Company has no profits or its profits are inadequate, remuneration may, be paid as specified under Section II and IV of Part II of Schedule V to the Companies Act, 2013, for the time being in force.

**RESOLVED FURTHER THAT** the Board of Directors and the Nomination and Remuneration Committee be and are hereby severally authorised to alter and vary such terms of reappointment and remuneration so as to not exceed the limits specified in the Schedule V to the Companies Act, 2013 as may be decided by the Board of Directors.

- (14) To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, the Articles of Association of the Company be and is hereby altered in the manner following:

After Article 138, the following new article 138(A) be inserted:

138(A) Chairman:

The Directors in Board Meeting or Company in General Meeting may, from time to time, appoint any of the Directors as Chairman and Managing Director/Chief Executive Officer/equivalent position thereof in the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

- (15) To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if

any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, M/s. N. D. Birla & Co., Cost Accountants (Firm Registration Number 000028), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as decided by the Board of Directors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take such actions as may be necessary for implementing the above resolution.

**Registered Office & Corporate Office:** BY ORDER OF THE BOARD OF DIRECTORS  
202, Dev Arc, Opp. Iscon Temple,  
S. G. Highway,  
Ahmedabad – 380 015

Place: Ahmedabad  
Date: August 30, 2014

**RENUKA A. UPADHYAY**  
*Company Secretary*

## Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DULY FILLED STAMPED, SIGNED AND SHOULD BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, PARTNERSHIP FIRMS ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/AUTHORITY AS APPLICABLE, ISSUED ON BEHALF OF THE APPOINTING ORGANISATION.

A proxy form is sent herewith. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10 (ten) percent of the total share capital of the Company. Provided that a member holding more than 10 (Ten) percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member.

2. Members should bring the duly filled attendance slip sent herewith for attending the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from September 25, 2014 to September 30, 2014 (both days inclusive). Members are requested to intimate, indicating their Folio Number, the changes, if any, in their registered address, either to the Company or to the Registrar and Share Transfer Agent, viz. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai- 400 078.
4. The Statement pursuant to Section 102 of the Companies Act, 2013 and Clause 49 of the Listing Agreement is annexed hereto and forms part of this Notice.
5. Trading in equity shares of the Company is compulsorily in dematerialised

mode by all the investors. In view of the above, shareholders are advised to convert their shareholding in dematerialised form.

6. Shareholders seeking any information or clarification on the accounts are requested to send written queries to the Company, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
7. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, ECS mandates, nominations, power of attorney, change of name/address among others to their respective Depository Participants ('DP') only and to the Company or its Registrar and Share Transfer Agent. Any such changes effected by the DP will automatically reflect in the Company's subsequent records.
8. Pursuant to the provision of Section 125(e) of the Companies Act, 2013 the amount of dividend remaining unclaimed for a period of seven years from the date it became due for payment are required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government and, thereafter no payments shall be made by the Company or by IEPF in respect of such amounts. Therefore, members those who have not yet encashed their dividend warrant(s) for the financial year ended March 31 2008, 2010, 2011 and 2012 are requested to submit their claims to the Registrar and Transfer Agent of the Company without any delay.
9. As an austerity measure copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
10. All documents referred to in the accompanying notice and the explanatory statement, are open for inspection at the registered office of the Company during office hours from 10 A.M. upto 5 P.M. The Register of Directors' and Key

Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under section 189 of the Companies Act, 2013 will be available for inspection at the Annual General Meeting.

11. As required under Clause 49(IV) (G) of the Listing Agreement of the Stock Exchanges, the relevant details of the persons seeking appointment/reappointment as directors are enclosed herewith.
12. Shareholders who hold shares in demat form are requested to direct any change of address, updates of savings bank account details to their respective Depository Participant(s). Shareholders are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends. Shareholders holding shares in physical form are requested to notify/send any change in their address/mandate/bank account details to the Company's Registrar and Transfer Agent at:

**Link Intime India Private Limited,**

C-13, Pannalal Silk Mills Compound,

LBS Marg, Bhandup (West), Mumbai - 400 078.

Tel No.: +91 22 2594 6970 Fax No.: +91 22 2594 6969

E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

13. Corporate shareholders are requested to send to the Company's or its Registrar and Transfer Agent, a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
14. Shareholders desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 72 of the Companies Act, 2013, are requested to fill up the Nomination Form annexed to the Notice and send the same to the Company.
15. To support the 'Green Initiative', shareholders who have not registered their e-mail addresses are requested to register the same with their Depository Participant or with the Company's Registrar & Share Transfer Agents on <http://linkintime.co.in/newsite/goGreen.jsp> /DP/Company.
16. The businesses as set out in the Notice may be transacted through electronic voting system and the Company will provide a facility for voting by electronic means. In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of the voting through electronic means, as an alternate, to all its members to enable them to cast their votes electronically instead of casting their vote at the meeting.

The procedure and instructions for e-voting are as follows:

**SECTION – A: E – VOTING PROCESS**

1. Open your web browser during the voting period and log on to the e-Voting Website:[www.evotingindia.com](http://www.evotingindia.com).
2. Click on "Shareholders" to cast your vote(s)

3. Select the Electronic Voting Sequence Number (EVSNS) i.e. "140827054" along with "COMPANYNAME" i.e. "Asian Granito India Limited" from the drop down menu and click on "SUBMIT".
4. Please enter User ID –
  - A. For account holders in CDSL: - Your 16 digits beneficiary ID
  - B. For account holders in NSDL: - Your 8 Character DP ID followed by 8 Digits Client ID
  - C. Members holding shares in Physical Form should enter Folio Number registered with the Company.
5. Enter the Image Verification as displayed and Click on Login
6. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
7. If you are a first time user follow the steps given below:
  - A. Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. For members who have not updated their PAN with the Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN Field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.
  - B. Enter the Date of Birth (DOB) recorded in the demat account or registered with the Company for the demat account in DD/MM/YYYY format
  - C. Enter your Dividend Bank details (Account Number) recorded in the demat account or registered with the Company for the demat account#  
  
# Any one of the details i.e. DOB or Dividend Bank details should be entered for logging into the account. If Dividend Bank details and Date of birth are not recorded with the depository or Company please enter the number of shares held by you as on the cut off date (record date) i.e. August 29, 2014 in the Dividend Bank details field.  
  
Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.
8. After entering these details appropriately, click on "SUBMIT" tab.
9. First time users holding shares in demat form will now reach password generation menu wherein they are required to create their login password in the password field. Kindly note that this password can also be used by the Demat holders for voting for resolution of any other Company on which they

are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

10. Click on the EVSN of the Company i.e. 140827054 to vote.
11. On the voting page, you will see Resolution description and against the same the option 'YES/NO' for voting. Select the relevant option as desired YES or NO and click on submit.
12. Click on the Resolution File Link if you wish to view the Notice.
13. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL and accordingly modify your vote.
14. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting Page.

#### SECTION – B: COMMENCEMENT OF E – VOTING PERIOD AND OTHER E – VOTING INSTRUCTIONS

1. The e-Voting period commences on September 22, 2014 (10 A.M.) and ends on September 24, 2014 (6.00 P.M.). During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on cut off date (record date) of August 29, 2014 may cast their vote electronically. The e-Voting module shall be disable for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not allowed to change it subsequently.
2. The Voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Shares Capital of the Company.
3. CS Rajesh Parekh, Practicing Company Secretary (Membership No: ACS: 8073: CP No: 2939) (Address: 104, Ashwamegh Avenue, Nr. Mithakhali Underbridge, Naranpura, Ahmedabad – 380 009) has been appointed as the scrutinizer to scrutinize the e-Voting process.
4. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-Voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any submit forth with to the Chairman of the Company.
5. The Results shall be declared on the date of AGM of the Company. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.aglasiangranito.com](http://www.aglasiangranito.com) and on the website of CDSL <http://www.evotingindia.co.in> within two days of the passing of the resolution at the AGM of the Company and communicated to the BSE Limited and National Stock

Exchange of India Limited, where the shares of the Company are listed.

6. The resolutions shall be deemed to be processed on the date of Annual General Meeting, subject to the approval of receipt of sufficient votes.
7. For Members holding shares in physical form, the password and default number can be used only for e- Voting on the resolutions given in the notice.
8. Institutional Shareholders (i.e. other than individuals HUF, NRI, etc.) are required to log on to <http://www.evotingindia.co.in> and register themselves as corporate, link their account which they wish to vote on and cast their vote. They should submit a scanned copy of the Registration form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). They should also upload a scanned copy of the Board Resolution / Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the vote.
9. You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending communication (s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
10. In case you have any queries or regarding issues regarding e-voting, you may refer the Frequently Asked Question ("FAQs") and e-voting manual available at [www.aglasiangranito.com](http://www.aglasiangranito.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### Contact Details

<b>Company:</b>	<b>Asian Granito India Limited,</b> 202, Dev Arc, Opposite Isckon Temple, S.G. Highway, Ahmedabad – 380 015
<b>Registrar and Transfer Agent:</b>	<b>Link intime India Private limited</b> C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400078 Phone: +91-22-25946970 FAX: +91-22-2594 6969
<b>E-Voting Agency:</b>	<b>Central Depository Services (India) limited</b> E-mail ID: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>
<b>Scrutinizer:</b>	CS Rajesh Parekh. Practicing Company Secretary E-mail ID: <a href="mailto:contact@csrajeshparekh.in">contact@csrajeshparekh.in</a> <a href="mailto:rajeshparekh@yahoo.co.in">rajeshparekh@yahoo.co.in</a>

# Statement Pursuant to Section 102 of the Companies Act, 2013

## Item No. 4

The members of the Company at 12th Annual General Meeting held on September 29, 2007 approved by way of ordinary resolution under section 293(1) (d) of the Companies Act, 1956 for borrowing over and above the aggregate of the paid-up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amount already borrowed and outstanding at any point of time shall not be in excess of ₹500/- Crores (Rupees Five Hundred Crores Only).

With a view to meet the funds requirements of the Company for both short term as well as long term, the Company is required to borrow from time to time by way of loans from any bank(s), Financial Institutions, Bodies Corporates and it is therefore proposed to Take fresh approval from the members of the Company for the said borrowing limits of ₹500/- Crore.

As per the provisions of Section 180 (1)(c) of the Companies Act, 2013, effective from September 12, 2013 the Board can borrow money subject to the condition that the money to be borrowed together with the money(s) already borrowed together with the money(s) already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserve, that is to say, reserves not set apart for any specific purpose unless the shareholders have given approval by way of Special Resolution passed at the general meeting authorizing the Board to borrow the money(s) upto some higher limits.

Your Directors recommend the resolution for members' approval as a Special Resolution.

None of the Directors, Key Managerial Personnel or relatives of Directors or Key Managerial Personnel is in any way concerned or interested, financially or otherwise in this resolution.

## Item No. 5

In furtherance to the Item No. 4, the said borrowings required to be secured by way of mortgage/charge over all or any part of the movable and/or immovable assets of the Company and as per provisions of Section 180 (1)(a) of the Companies Act 2013, the mortgage or charge on all or any part of the movable and/or immovable properties of the Company, is deemed as the disposal of the whole or substantially the whole of the undertaking of the Company and hence, requires approval from the shareholders of the Company.

Accordingly, it is proposed to pass an enabling resolution authorizing the Board to create charge on the assets of the Company for a value not exceeding ₹500/- Crores (Rupees Five Hundred Crores Only).

Your Directors recommend the resolution for members' approval as a Special Resolution.

None of the Directors, Key Managerial Personnel or relatives of Directors or Key Managerial Personnel is in any way concerned or interested, financially or otherwise in this resolution.

## Item No. 6

Dr. Indira Nityanandam (holding DIN: 06749538) was appointed as an Additional Director by the Board of Directors on November 29, 2013. Pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Article 100 of the Articles of Association of the Company, she holds the office of Director only upto the date of this ensuing Annual General Meeting of the Company. As per the provisions of section 149(1) of the Act and amended proposed in Clause 49 of the Listing Agreement, the Company should have one Woman Director. Dr. Indira Nityanandam is an Independent Woman Director on the Board of the Company.

A notice has been received from a member along with deposit of requisite amount under section 160 of the Act proposing Dr. Indira Nityanandam as a candidate for the office of the Director of the Company.

The Company has received a declaration from Dr. Indira Nityanandam that she meets with criteria of independence as prescribed both under section 149(6) of the Act and Clause 49 of the Listing Agreement. Dr. Indira Nityanandam, 62, is Ph.D., M. Phil., M.A. (Political Science) and M.A. (English), Visiting Faculty of Indian Institute of Management (Ahmedabad), Former Principal of S.R. Mehta Arts College, Ahmedabad with over 30 years of post-qualification experience. Dr. Indira Nityanandam possesses appropriate skills and expertise which can be used for the benefit of the Company. She shall not be included in the total number of Directors for retirement by rotation.

In the opinion of the Board, Dr. Indira Nityanandam fulfills the conditions specified in the Act and rules made thereunder for her appointment as an Independent Director of the Company. Copy of the draft letter of appointment of Dr. Indira Nityanandam as an Independent Director setting out the terms and conditions would be available on website as well as at the Registered Office of the Company for inspection without any fee by the members of the Company during normal business hours on any working day.

Dr. Indira Nityanandam does not hold any equity shares of the Company. She is not related to any Director of the Company.

Your Directors recommend resolution at Item No. 6 of the Notice, in relation to appointment of Dr. Indira Nityanandam as a Director, for members' approval as an ordinary resolution.



Dr. Indira Nityanandam is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

#### **Item No. 7**

Mr. Maganlal Prajapati (holding DIN: 00564105) was appointed as an Independent Director on September 29, 2011. The provisions of the Companies Act, 2013 with respect to the appointment and tenure of the Independent Directors have come into effect. The Board of Directors of the Company has decided to adopt the provisions with respect to the appointment and tenure of the Independent Directors which is consistent with the Companies Act, 2013 and the amended listing agreement. Mr. Maganlal Prajapati is proposed to be re-appointed as an Independent Director for consecutive term upto March 31, 2019.

A notice has been received from a member along with deposit of requisite amount under section 160 of the Act proposing Mr. Maganlal Prajapati as a candidate for the office of the Director of the Company.

The Company has received a declaration from Mr. Maganlal Prajapati that he meets with criteria of independence as prescribed both under section 149(6) of the Act and Clause 49 of the Listing Agreement. Mr. Maganlal Prajapati, 67, served as a Professor of Statistics at M. C. Shah Commerce College, Ahmedabad. Mr. Maganlal Prajapati has a Teaching experience of approximately 36 years. In 1971, he started his career as a lecturer of statistics in Arts & Commerce College, Himatnagar. Subsequently, he has been associated with Sir K.P. College of Commerce, Surat, for five years and T & T.V. Sarvajanic High School, Surat, for one year, Arts & Commerce College, Idar, for twenty years and Arts & Commerce College, Talod as a lecturer in statistics. He also worked as a social worker at various levels and has been involved with the National Cadet Corps. Mr. Maganlal Prajapati holds M.Sc. in statistics from the Sardar Patel University and M. Phil in statistics from South Gujarat University. Mr. Maganlal Prajapati possesses appropriate skills and expertise which can be used for the benefit of the Company. Mr. Maganlal Prajapati joined the Board of the Company September 30, 2005, as an Independent Director. He shall not be included in the total number of Directors for retirement by rotation.

In the opinion of the Board, Mr. Maganlal Prajapati fulfills the conditions specified in the Act and rules made thereunder for his re-appointment as an Independent Director of the Company. Copy of the draft letter of re-appointment of Mr. Maganlal Prajapati as an Independent Director setting out the terms and conditions would be available on website as well as at the Registered Office of the Company for inspection without any fee by the members of the Company during normal business hours on any working day.

Mr. Maganlal Prajapati does not hold any equity shares of the Company. He is not related to any Director of the Company.

Your Directors recommend resolution at Item No. 7 of the Notice, in relation to appointment of Mr. Maganlal Prajapati as a Director, for members' approval as an ordinary resolution.

Mr. Maganlal Prajapati is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

#### **Item No. 8**

Mr. Shankerlal Khemabhai Patel (holding DIN: 02179603) was appointed as an Independent Director on the Board of Directors of the Company on March 30, 2008. The provisions of the Companies Act, 2013 with respect to the appointment and tenure of the Independent Directors have come into effect. The Board of Directors of the Company has decided to adopt the provisions with respect to the appointment and tenure of the Independent Directors which is consistent with the Companies Act, 2013 and the amended listing agreement. Mr. Shankerlal Patel is proposed to be re-appointed as an Independent Director for consecutive term upto March 31, 2019.

A notice has been received from a member along with deposit of requisite amount under section 160 of the Act proposing Mr. Shankerlal Patel as a candidate for the office of the Director of the Company.

The Company has received a declaration from Mr. Shankerlal Patel that he meets with criteria of independence as prescribed both under section 149(6) of the Act and Clause 49 of the Listing Agreement. Mr. Shankerlal Patel, 69, is a retired employee working as Manager - Audit with State Bank of India. He has wide experience of 42 years in Banking sector. At present, he is a Zonal member of SBI Pensioners Association, Sabarkantha. Mr. Shankerlal Patel possesses appropriate skills and experience required for ceramic industry. Mr. Shankerlal Patel was appointed on the Board at its meeting held on March 30, 2008 as an Independent Director. He shall not be included in the total number of Directors for retirement by rotation.

In the opinion of the Board, Mr. Shankerlal Patel fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter of re-appointment of Mr. Shankerlal Patel as an Independent Director setting out the terms and conditions would be available on website as well as at the Registered Office of the Company for inspection without any fee by the members of the Company during normal business hours on any working day.

Mr. Shankerlal Patel holds 151 equity shares of the Company. He is not related to any Director of the Company.

Your Directors recommend resolution at Item No. 8 of the Notice, in relation to appointment of Mr. Shankerlal Patel as a Director, for members' approval as an ordinary resolution.

Mr. Shankerlal Patel is deemed to be interested in the resolution. None of the other

Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

#### **Item No. 9**

Mr. Premjibhai Ramjibhai Chaudhari (holding DIN: 03404647) was appointed as an Independent Director by the Board of Directors on May 11, 2011. The provisions of the Companies Act, 2013 with respect to the appointment and tenure of the Independent Directors have come into effect. The Board of Directors of the Company has decided to adopt the provisions with respect to the appointment and tenure of the Independent Directors which is consistent with the Companies Act, 2013 and the amended listing agreement. Mr. Premjibhai Chaudhari is proposed to be re-appointed as an Independent Director for consecutive term upto March 31, 2019.

A notice has been received from a member along with deposit of requisite amount under section 160 of the Act proposing Mr. Premjibhai Chaudhari as a candidate for the office of the Director of the Company.

The Company has received a declaration from Mr. Premjibhai Chaudhari that he meets with criteria of independence as prescribed both under section 149(6) of the Act and Clause 49 of the Listing Agreement. Mr. Premjibhai Chaudhari, 69, is Senior Vice President at GIFT city, having wide experience of more than 44 years in electrical engineering. Mr. Premjibhai Chaudhari possesses appropriate skills and expertise which can be used for the benefit of the Company. He shall not be included in the total number of Directors for retirement by rotation.

In the opinion of the Board, Mr. Premjibhai Chaudhari fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter of re-appointment of Mr. Premjibhai Chaudhari as an Independent Director setting out the terms and conditions would be available on website as well as at the Registered Office of the Company for inspection without any fee by the members of the Company during normal business hours on any working day.

Mr. Premjibhai Chaudhari does not hold any equity shares of the Company. He is not related to any Director of the Company.

Your Directors recommend resolution at Item No. 9 of the Notice, in relation to appointment of Mr. Premjibhai Chaudhari as a Director, for members' approval as an ordinary resolution.

Mr. Premjibhai Chaudhari is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

#### **Item No. 10**

Mr. Amrutbhai Ishwarbhai Patel (holding DIN: 03381404) was appointed as an

Independent Director on the Board of the Company at its meeting held on May 11, 2011. The provisions of the Companies Act, 2013 with respect to the appointment and tenure of the Independent directors have come into effect. The Board of Directors of the Company has decided to adopt the provisions with respect to the appointment and tenure of the Independent Directors which is consistent with the Companies Act, 2013 and the amended listing agreement. Mr. Amrutbhai Patel is proposed to be re-appointed as an Independent Director for consecutive term upto March 31, 2019.

A notice has been received from a member along with deposit of requisite amount under section 160 of the Act proposing Mr. Amrutbhai Patel as a candidate for the office of the Director of the Company.

The Company has received a declaration from Mr. Amrutbhai Ishwarbhai Patel that he meets with criteria of independence as prescribed both under section 149(6) of the Act and Clause 49 of the Listing Agreement. Mr. Amrutbhai Patel, 57, is a professional manufacturer and pioneer in manufacturing of Roler Kiln in India. He is having wide experience of 34 years in ceramic industry. Mr. Amrutbhai Patel possesses appropriate skills and expertise which can be used for the benefit of the Company. He shall not be included in the total number of Directors for retirement by rotation.

In the opinion of the Board, Mr. Amrutbhai Patel fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter of re-appointment of Mr. Amrutbhai Patel as an Independent Director setting out the terms and conditions would be available on website as well as at the Registered Office of the Company for inspection without any fee by the members of the Company during normal business hours on any working day.

Mr. Amrutbhai Patel does not hold any equity shares of the Company. He is not related to any Director of the Company.

Your Directors recommend resolution at Item No. 10 of the Notice, in relation to appointment of Mr. Amrutbhai Patel as a Director, for members' approval as an ordinary resolution.

Mr. Amrutbhai Patel is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

#### **Item No. 11**

Mr. Ajendrabhai Naranbhai Patel (holding DIN: 02284744) was appointed as an Independent Director on the Board of the Company at its meeting held on June 29, 2008. The provisions of the Companies Act, 2013 with respect to the appointment and tenure of the Independent directors have come into effect. The Board of Directors of the Company has decided to adopt the provisions with respect to the appointment and tenure of the Independent Directors which is consistent with the Companies

Act, 2013 and the amended listing agreement. Mr. Ajendrabhai Naranbhai Patel is proposed to be re-appointed as an Independent Director for consecutive term upto March 31, 2019.

A notice has been received from a member along with deposit of requisite amount under section 160 of the Act proposing Mr. Ajendrabhai Patel as a candidate for the office of the Director of the Company.

The Company has received a declaration from Mr. Ajendrabhai Patel that he meets with criteria of independence as prescribed both under section 149(6) of the Act and Clause 49 of the Listing Agreement. Mr. Ajendrabhai Patel is a ceramic engineer and has wide experience of 22 years in ceramic industry. He possesses appropriate skills and experience required for ceramic industry. He shall not be included in the total number of Directors for retirement by rotation.

In the opinion of the Board, Mr. Ajendrabhai Patel fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter of re-appointment of Mr. Ajendrabhai Patel as an Independent Director setting out the terms and conditions is available on website as well as at the Registered Office of the Company for inspection without any fee by the members of the Company during normal business hours on any working day.

Mr. Ajendrabhai Patel does not hold any equity shares of the Company. He is not related to any Director of the Company.

Your Directors recommend resolution at Item No. 11 of the Notice, in relation to appointment of Mr. Ajendrabhai Patel as a Director, for members' approval as an ordinary resolution.

Mr. Ajendrabhai Patel is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

#### **Item No.12**

The term of Mr. Kamleshbhai B. Patel as Chairman and Managing Director of the Company expired on December 31, 2013. The Board of Directors at its meeting held on November 29, 2013 has, on recommendation of Nomination and Remuneration Committee, re-appointed Mr. Kamleshbhai B. Patel Chairman & Managing Director of the Company for a further period of five years with effect from January 1, 2014 to December 31, 2018 as on the terms and conditions as stated hereinafter.

Mr. Kamleshbhai B. Patel, a Bachelor in Business Administration from Sardar Patel University, is the Chairman and Managing Director of our Company and has more than 16 years of experience in the tile industry. He started his career with Kedia Cera Tile Pvt. Ltd. in the year 1993, as a director. In 1996, he promoted Kedia Industries, a partnership concern involved in the manufacturing of wall tiles. Subsequently, in 1999, he promoted Asian Tiles Limited with other promoters. In 2003, he along

with other promoters foresaw an opportunity of Vitrified tiles and started plant at Himmatnagar for manufacturing the same. Looking at his past experience and expertise knowledge, the Board of Directors has reappointed him as a Chairman & Managing Director of the Company.

He will be entitled to the following remuneration per month:

- (A) MONTHLY SALARY: ₹200000 – ₹1000000 p.m.

The Chairman & Managing Director shall also be entitled to:

- (i) Free use of the Company's Car with Driver for the Business of the Company.
  - (ii) Free telephone at the residence
  - (iii) Reimbursement of all actual expenses including entertainment and travelling incurred in course of Company's business.
- (B) Company's contribution to Provident Fund and the Pension Fund as per the Company's rules provided the Company's contribution to the provident fund and pension fund will not be included in the Computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity shall be paid as per Company's rule and will not be included in the computation of the ceiling on perquisites.

The remuneration referred to as above is subject to overall limit of 10% of the annual net profits of the Company, if the remuneration of the Managing Director and other Executive Directors of the Company taken together. Provided, that in the event of absence or inadequacy of profit, the Executive Director shall be entitled to remuneration and perquisites as mentioned above within the minimum remuneration specified in Schedule V to the Companies Act, 2013.

The Board recommends this Special resolution for the approval of the shareholders.

None of the Directors, Key Managerial Personnel of Your Company and their relatives are interested in this resolution, except Mr. Kamleshbhai B. Patel himself.

#### **Item No.13**

Mr. Mukeshbhai J. Patel was re-appointed as Managing Director of the Company for a further period of five years with effect from January 1, 2014 and the Board of Directors at its meeting held on February 28, 2014 has on recommendation of Nomination and Remuneration Committee, re-appointed Mr. Mukeshbhai J. Patel Managing Director of the Company for a further period of five years with effect from April 1, 2014 to March 31, 2019 as on the terms and conditions as stated hereinafter.

Mr. Mukeshbhai J. Patel is a Managing Director of our Company and has more than 16 years of experience in the tile industry. He started his carrier with Kedia Cera Tile Pvt. Ltd. in the year 1993, as a Director. In 1996, he promoted Kedia Industries, a partnership concern involved in the manufacturing of wall tiles. Subsequently, in 1999, he promoted Asian Tiles Limited with other promoters. In 2003, he along

with other promoters foresaw an opportunity of Vitrified tiles and started plant at Himmatnagar for manufacturing the same. Looking at his past experience and expertise knowledge, the Board of Directors has re-appointed him as a Managing Director of the Company.

He will be entitled to the following remuneration per month:

- (A) MONTHLY SALARY: ₹1,60,000 – ₹7,37,500 p.m.
- (B) The Managing Director shall be entitled to the following perquisites and facilities:
- I. Medical Reimbursement: Medical expenses incurred by the appointee on self, spouse and dependent children will be reimbursed to him subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
  - II. Personal Accident Insurance: The Company will take Personal Accident Insurance of Director.
  - III. Provident fund and superannuation:  
Company's contribution towards provident fund and the pension's fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.  
Gratuity shall be paid as per Company's rule and will not be included in the computation of the ceiling on perquisites.
  - IV. Car with driver: The Managing Director will be provided with a car and driver for use on Company's business.
  - V. Telephone: Free telephone at his residence.
  - VI. The Company shall reimburse actual traveling expenses incurred by the managing director in connection with the Company's business.

The remuneration referred to as above is subject to overall limit of 10% of the annual net profits of the Company, if the remuneration of the Managing Director and other Executive Directors of the Company taken together. Provided, that in the event of absence or inadequacy of profit, the Executive Director shall be entitled to remuneration and perquisites as mentioned above within the minimum remuneration specified in Schedule V to the Companies Act, 2013.

The Board recommends this Special resolution for the approval of the shareholders.

None of the Directors, Key Managerial Personnel of Your Company and their relatives are interested in this resolution, except Mr. Mukeshbhai J. Patel himself.

#### Item No. 14

There was no restriction in the Companies Act, 1956 with respect to appointment of Chairperson as well as the Managing Director or Chief Executive Officer at the same time. As per the provisions of Section 203 of the Companies Act, 2013, an individual

cannot be appointed as the Chairperson as well as the Managing Director or Chief Executive Officer of the Company at the same time, unless Articles of the Company provides for such appointment. As the existing Articles of Association does not provide the said provision, it is proposed to amend the Articles of Association of the Company by inserting new Article 138A as stated in the resolution after Article 138 to comply with the provisions of the said Section of the Companies Act, 2013. Hence, your Directors recommend this resolution for your acceptance.

A copy of the Articles of Association of the Company with proposed amendments is open for inspection of the members of the Company at the Registered Office of the Company during business hours on any working day.

Except Mr. Kamleshbhai B. Patel, none of the Directors, Key Managerial Personnel of the Company, and/or relatives of Directors/Key Managerial Personnel may be deemed to be concerned or interested in the said resolution.

#### Item No. 15

The Board of Directors after considering the recommendation of Audit Committee appointed M/s. N. D. Birla & Co., Cost Accountants as the Cost Auditors to carry out the audit of cost records of the Company for the Financial year ending on March 31, 2015 and decided the remuneration of ₹80,000 plus service tax and out of pocket expenses.

As per the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration to the cost auditors fixed by the Board of Directors shall be ratified by the members by passing resolution.

Accordingly, consent of the members is sought for passing an Ordinary resolution as set out in item no. 15 of the Notice for ratification of remuneration payable to the cost Auditors for the financial year ending on March 31, 2015.

Your Directors recommend the passing of resolution as set out at item no. 15 of the Notice for approval by the shareholders.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 15 of the Notice.

**Registered Office & Corporate Office:** BY ORDER OF THE BOARD OF DIRECTORS  
202, Dev Arc, Opp. Iscon Temple,  
S. G. Highway,  
Ahmedabad – 380 015

Place: Ahmedabad  
Date: August 30, 2014

**RENUKA A. UPADHYAY**  
Company Secretary

## Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of Director	Date of Birth (No. of Shares held)	Qualification	Nature of Expertise	Name of Public Companies in which he holds Directorship (As on March 31, 2014)	Name of Committees of Public Companies of which he holds Membership/ Chairmanship ( As on March 31, 2014)
Mr. Sureshbhai Patel	27.09.1966 11,22,793 equity Shares	Commerce Graduate	His characteristic zeal to focus on the key intricacies of business operations ensured that the Company constantly improved its performance in all efficiency parameters-strong project management, high plant availability, reduction in transmission and distribution losses, better reliability indices, etc. His contemporary outlook and innovative ideas have helped shape the finance and general management spheres of the Company.	NIL	NIL
Dr. Indira Nityanandam	24.09.1951 Nil shares held	M.A., Ph. D	She is visiting faculty of Indian Institute of Management (Ahmedabad), Former Principal of S. R. Mehta Arts College, Ahmedabad with over 30 years of post-qualification experience. She possesses appropriate skills and expertise which can be used for the benefit of the Company.	NIL	Asian Granito India Ltd. <ul style="list-style-type: none"> <li>Corporate Social Responsibility Committee (Member)</li> </ul>
Mr. Maganlal Prajapati	06.10.1946 Nil shares held	M.Sc., M.Phil.	He served as a Professor of Statistics at M. C. Shah Commerce College, Ahmedabad. Mr. Maganlal Prajapati has a teaching experience of approximately 36 years. In 1971, he started his career as a lecturer of statistics in Arts & Commerce College, Himatnagar. Subsequently, he has been associated with Sir K.P. College of Commerce, Surat, for five years and T & T.V. Sarvajani High School, Surat, for one year, Arts & Commerce College, Idar, for twenty years and Arts & Commerce College, Talod as a lecturer in statistics. He also worked as a social worker at various levels and has been involved with the National Cadet Corps. Mr. Maganlal Prajapati holds M.Sc. in statistics from the Sardar Patel University and a M. Phil in statistics from South Gujarat University. Mr. Maganlal Prajapati possesses appropriate skills and expertise which can be used for the benefit of the Company.	NIL	Asian Granito India Ltd. <ul style="list-style-type: none"> <li>Audit Committee (Chairman)</li> <li>Remuneration Committee (Chairman)</li> <li>Shareholders Grievances Committee (Chairman)</li> </ul>
Mr. Shankerlal Patel	17.05.1945 151 shares held	B.A.	He is a retired employee working as Manager - Audit with State Bank of India. He has wide experience of 42 years in Banking sector. At present, he is a Zonal member of SBI Pensioners Association, Sabarkantha. Mr. Shankerlal Patel possesses appropriate skills and experience required for ceramic industry.	NIL	Asian Granito India Ltd. <ul style="list-style-type: none"> <li>Remuneration Committee (Member)</li> </ul>
Mr. Premjibhai Chaudhari	01.03.1945 Nil shares held	B.E. (Electric)	He is Senior Vice President at GIFT city, having wide experience of more than 44 years in electrical engineering. Mr. Premjibhai Chaudhari possesses appropriate skills and expertise which can be used for the benefit of the Company.	GIFT Power Company Limited	NIL
Mr. Amrutbhai Patel	01.06.1957 Nil shares held	B.Sc (Chemistry)	He is a professional manufacturer and pioneer in manufacturing of Roler Kiln in India. He is having wide experience of 34 years in ceramic industry. Mr. Amrutbhai Patel possesses appropriate skills and expertise which can be used for the benefit of the Company.	Carol Zircolite Private Limited	Asian Granito India Ltd. <ul style="list-style-type: none"> <li>Audit Committee (Member)</li> <li>Shareholders Grievances Committee (Member)</li> </ul>
Mr. Ajendrabhai Patel	07.01.1973 Nil shares held	Diploma in Ceramics	He is a ceramic engineer and has wide experience of 22 years in ceramic industry. He possesses appropriate skills and experience required for ceramic industry.	1.Krishna Ceramics Private Limited 2.Krishna Tuff Private Limited	Asian Granito India Ltd. <ul style="list-style-type: none"> <li>Remuneration Committee (Member)</li> </ul>

# DIRECTORS' REPORT

*Dear members,*

Your Directors are pleased to present the 19th Annual Report together with the Audited Accounts of the Company for the financial year ended on March 31, 2014.

## PERFORMANCE OF THE COMPANY:

The summarised financial results of the Company have been given below:

(Amount In Lacs)

Particulars	STANDALONE		CONSOLIDATED	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Sales and other income	76,044.35	71,079.48	77,326.21	71,079.48
Profit/(Loss) Before Interest and Depreciation	6,410.36	6,872.29	6,440.61	6,872.29
Less: Interest & Financial Expenses	2,000.66	2,170.79	2,014.25	2,170.79
Less: Depreciation	2,160.02	2,163.18	2,160.02	2,163.18
Profit Before Tax	2,249.68	2,538.32	2,266.34	2,538.32
Less: Provision for current tax	721.94	870.00	727.09	870.00
Provision for deferred tax	113.54	(42.54)	113.54	(42.54)
Profit after tax	1,414.20	1,710.86	1,425.71	1,710.86
Add: Balance Brought Forward	15,956.34	14,257.81	15,956.34	14,257.81
Amount available for appropriation				
Balance carried to Balance Sheet	17,573.20	15,956.34	17,584.71	15,956.34
Appropriation:				
Proposed Dividend on Equity Shares ( Dividend on Equity share)	0.00	10.60	0.00	10.60
Corporate Tax on Dividend on Equity Shares ( Tax on dividend)	0.00	1.73	0.00	1.73
<b>Balance Carried To Balance Sheet</b>	<b>17,573.20</b>	<b>15,956.34</b>	<b>17,584.71</b>	<b>15,956.34</b>

## OPERATIONS:

The sales and other income of the Company increased to ₹76,044.35 Lacs as compared to ₹71,079.48 Lacs in last year, registering a growth of 6.98%. However, during the year, profit of the Company has been affected by adverse market condition. During the year, your Company has extended its customer base by launching new product range.

Your Directors are trying to achieve better results in time to come and to keep the position of market leader in the coming years.

## DIVIDEND:

In order to conserve the resources, your Directors do not recommend payment of any dividend for the financial year.

## MANAGEMENT'S DISCUSSION & ANALYSIS REPORT:

A detailed review of the progress of the Company and the future outlook of the Company and its business as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate forming part of Annual Report.

## CORPORATE GOVERNANCE:

A separate section on Corporate Governance forming part of the Directors' Report and the Certificate from the Company's Auditors confirming compliance of Corporate Governance norms as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is included in the Annual Report.

#### **PARTICULARS OF CONSERVATION OF ENERGY AMONG OTHERS:**

The statement of particulars with respect to conservation of energy, technology absorption and Foreign Exchange earning and outgo pursuant to section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed herewith as Annexure – 'A' which forms part of this report.

#### **ENVIRONMENT PROTECTION:**

The Company has been complying with the requirements of the Pollution Control Regulations in the state of Gujarat.

#### **INSURANCE:**

All the assets of your Company including buildings, machineries, fixtures, other fixed assets, stocks-raw materials, WIP, finished goods, etc. have been adequately insured.

#### **PUBLIC DEPOSITS:**

The Company has not accepted any deposit from public falling under section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. All deposit lying with the Company has been duly paid during the year.

#### **DEPOSITORY:**

As the members are aware, your Company's shares are tradable compulsorily in electronic form and your Company has established connectivity with both the depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd., (CDSL). In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialisation of the Company's shares on either of the Depositories as aforesaid.

#### **SUBSIDIARY:**

During the year, the Company has made a strategic acquisition of 100% shares of AGL Industries Limited, accordingly M/s. AGL Industries Limited became the Wholly Owned Subsidiary of Asian Granito India Limited. The Company is engaged in agricultural supplies, farming and processing of agricultural products, food production and agricultural commodities trading.

#### **CONSOLIDATED FINANCIAL STATEMENTS:**

In accordance with the Accounting Standards (AS-21) Consolidated Financial Statement are attached and form part of the Annual Report and Accounts.

#### **ACCOUNTS OF SUBSIDIARIES:**

Pursuant to the general circular no. 1/2011 issued by Ministry of Corporate Affairs, Government of India, the Individual accounts of the subsidiary of the Company (M/s. AGL Industries Limited) for the year ended on March 31, 2014 have not been attached to the Annual Report.

However, a statement giving information as required by the aforesaid circular is attached to the Annual Report. The Annual Accounts of the subsidiary companies will be available at the registered office of the Company and also at the venue during the Annual General Meeting. The Company shall provide free of cost the copy of Annual Accounts of its subsidiary companies to the shareholders upon their request.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of Companies Act, 1956 you're Directors confirm that:-

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there is no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts of the Company on the 'going concern' basis.

#### **DIRECTORS:**

Mr. Sureshbhai J. Patel retire by rotation retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

The Company is appointing its independent Directors Mr. Maganlal Prajapati, Mr. Shankerlal Patel, Mr. Ajendrabhai Patel, Mr. Premjibhai Chaudhary, Mr. Amrutbhai Patel from April 1, 2014 for consecutive term upto March 31, 2019 as per the provisions of Companies Act, 2013. The appointment of Dr. Indra Nityanandam, as an Independent Director of the Company, is subject to the approval of the members. She is being appointed for consecutive term upto March 31, 2019.

#### **AUDITORS AND THEIR REPORT:**

M/s. A.L. Thakkar & Co., Chartered Accountants, Auditors of the Company hold office upto the date of the ensuing Annual General Meeting. The Company has received Certificate under Section 224(1) (B) of the Companies Act, 1956 from them confirming that the appointment if made, at the ensuing Annual General Meeting, will be within the limits specified. Your Directors recommend their reappointment and fixing the remuneration of them.

#### **COST AUDITORS:**

We are in process of appointment of M/s. N.D. Birla & Co., Cost Accountants, Ahmedabad, as the Cost Auditors of the Company for Financial Year 2014-15 for conducting Cost Audit under the provision of Section 223B of the Companies Act, 1956.

#### **INDUSTRIAL SCENARIO & BUSINESS OUTLOOK:**

Now Industry is witnessing rapid shift for larger sizes/ High value items like Digital, GVT, Double Charge with different surface looks. The industry also enjoys the unique distinction of being highly indigenous with an abundance of raw materials, technical skills, infrastructural facilities despite being fairly capital intensive. The potential is huge considering the per capita consumption of ceramic tiles in India. Faster urbanization and concept of home beautification is signaling towards growth of the industry. The Indian Industry has developed an international market although at the lower end. In volume it ranked 12th in the global market. World Export increased by 8.4%. Major Exporters are China, Spain and Italy.

As aspirations & perceptions towards home beautification is changing and slowly tiling sector is moving towards Lifestyle sector. Faster urbanization and rising disposable incomes of the growing middle class and 40 million units of housing shortage hold out a great potential towards growth of the industry. A major change that took over the ceramic tiles industry, was the introduction of vitrified and porcelain tiles. These

new entrant product types are said to be the tiles of the future. These new products and the conventional wall & floor tiles have together made the organised industry grow to a formidable size industry. This coupled with a spate of expansions by many players make the industry look very promising in the future.

#### **PARTICULARS OF EMPLOYEES:**

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Director's Report. Having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to the all members of the Company and other entitled thereto. Any members interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

#### **INDUSTRIAL RELATIONS:**

The industrial relations with employees remained cordial throughout the year. Your Directors wish to place on record their appreciation of the devoted services rendered by the workers, staff and employees of the Company.

#### **ACKNOWLEDGEMENT:**

Your Directors would like to express their grateful appreciation for the assistance and cooperation received from the Company's valued customers, members, various department of Central and State Government, Local Authorities, and Banks during the year under review and looking to their continued support in the future to the Company's growth. Your Directors also wish to place on record their deep sense of appreciation for the committed services of the executives, staff and workers of the Company.

#### **Registered Office & Corporate Office:**

202, Dev Arc, Opp. Iscon Temple,  
Sarkhej Gandhinagar Highway,  
Ahmedabad – 380 015

Place : Ahmedabad

Date : May 29, 2014

FOR AND ON BEHALF OF  
**THE BOARD OF DIRECTORS**

**KAMLESHBHAI B. PATEL**  
*Chairman & Managing Director*



# Annexure to the Directors' Report

## Particulars pursuant to section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Directors' Report) Rules, 1988:

### 1. CONSERVATION OF ENERGY:

The Energy Conservation efforts in the Company are being pursued on a continuous basis. Close monitoring of power consumption is maintained to minimise wastage and facilitate optimum utilisation of energy. Regular maintenance and repairs of all the equipments and machineries are carried out to ensure optimum efficiency. Having the right spares parts at all times especially during emergencies, improves the availability of equipments too.

#### 1) Energy Conservation measures taken

The Company has formed a strong technical department headed by senior personnel to continuously monitor energy consumption and plan and execute energy conservation schemes. Effective measures are being taken for overall technological up gradation of plant and machinery.

Installation of latest generation Energy Efficient LED lighting & equipments, variable frequency drives are extensively installed and used wherever possible for lesser energy consumption. Efficient PLC programs for reduction of idle running of equipments resulting in saving of power consumptions.

Considerable savings are achieved by the installation of Chain stoves in our spray driers for switching of fuel from gas to coal.

Power trading activity continues to result into reduction in frequent power interruptions and usage of gas/diesel-based captive generation.

#### 2) Total energy consumption and energy consumption per unit of production:

### FORM 'A'

Particulars	FINANCIAL YEAR	
	2013-14	2012-13
<b>A. POWER AND FUEL CONSUMPTION</b>		
<b>I) Electricity</b>		
<b>a) Purchased Unit (in H.P. / K.W.H.)</b>		
Total Amount (₹ in Lacs)	480.88	399.96
Rate per unit (Amount/Units) (₹)	2538.02	3065.19
<b>b) Own Generation</b>		
<b>(i) Through D.G. Set</b>		
Units (In H.P. / K.W.H.)	5.28	7.66
Total Amount (₹ in Lacs)		
Rate per unit (Amount/Units) (₹)	1.79	2.10
<b>(ii) Through Other (specify)</b>		
Units (In H.P. / K.W.H.)	32.28	38.44
Total Amount (₹ in Lacs)	18.04	18.30
Rate per unit (Amount/Units) (₹)		
	Nil	Nil
	Nil	Nil
	Nil	Nil
<b>II) Fuel Consumption</b>		
<b>1. Light Diesel Oil (L.D.O.)</b>		
Quantity in Liters	0.56	0.79
Total Amount (₹ in Lacs)	32.28	38.44
Cost Per Unit (Total Amount/Quantity)	57.77	48.58

Particulars	FINANCIAL YEAR	
	2013-14	2012-13
<b>2. L.P.G. / Natural Gas</b>		
Quantity in SCM	199.51	220.93
Total Amount (₹ in Lacs)	7494.54	6903.01
Cost Per Unit (Total Amount/Quantity)	37.57	31.25
<b>3. Gas Generator, Coal Etc.</b>		
Quantity in Kgs.	384.65	452.58
Total Amount (₹ in Lacs)	1579.47	2283.97
Cost Per Unit (Total Amount/Quantity)	4.11	5.05
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
<b>1. Electricity (Units per Sq. Mtrs. Production)</b>	4.47	3.18
<b>Electricity (Rupees per Sq. Mtr. Production)</b>	23.57	24.40
2. Diesel / L.D.O. (Units per Sq. Mtr. Production)	4.51	3.22
Diesel / L.D.O. (Rupees per Sq. Mtr. Production)	81.32	58.88
3. L.P.G./ Natural Gas(Qty. Per Sq. Mtr. Production)	2.35	1.86
L.P.G./ Natural Gas(Rupees Per Sq. Mtr. Production)	88.25	58.06
4. Other	Nil	Nil

## 2) TECHNOLOGY ABSORPTION:

- a) **Research and Development:** The Company is fully equipped and further updating with the latest technology for producing its quality products. Company's has continuous ongoing R & D Program which during the period under review introduced larger format and various designs of tiles. In addition to development of new products, the R & D Department also instituted a comprehensive quality control of all units to ensure that all the Company's products meet or exceed international standards.
- b) **Benefits derived as a result of the above R & D:**  
The Company is continuously updating itself to standardize and install required machinery when manufacturing. Improved quality also gives the Company a better image in the market therefore improving the marketability of its products.
- c) **Technology Absorption and Innovation:**  
The Company has been putting emphasis to train its technical personnel by way of providing training to them for the latest technology available. It has resulted in a better quality of product, which has been brought to the International Standard, besides improving the productivity and reducing the wastages. The Company has sent its Plant Operators to China for getting themselves trained for better manufacturing process.

## 3) FOREIGN EXCHANGE EARNINGS/ OUTGO:

(₹ in Lacs)

Particulars	2013-14	2012-13
<b>Foreign Exchange Earned:</b>		
Export of Goods on FOB Basis	2187.70	2337.47
<b>Foreign Exchange Used:</b>		
Foreign Traveling	8.52	20.94
Exhibition Expenses	23.84	1.24
Capital Goods	15.44	529.23
Stores and Spares	584.87	717.65
Raw Materials	893.56	1080.58
Finished Goods	1278.7	2487.54
Semi Finished Goods	2556.24	-
Other Design Materials	2.29	29.16
Sales Commission	24.05	42.82

**Registered Office & Corporate Office:**  
202, Dev Arc, Opp. Iscon Temple,  
Sarkhej Gandhinagar Highway,  
Ahmedabad – 380 015

FOR AND ON BEHALF OF  
**THE BOARD OF DIRECTORS**

Place : Ahmedabad  
Date : May 29, 2014

**KAMLESHBHAI B. PATEL**  
Chairman & Managing Director

# MANAGEMENT DISCUSSION AND ANALYSIS

## Economic overview

**Global economy:** The global economy remain subdued as global GDP growth decelerated for the third year – 3.9% in 2011 to 3.1% in 2012 and 3% in 2013. Most developed economies addressed the reality through appropriate remedial fiscal policy action. Besides, a number of emerging economies, which had already experienced a debilitating slowdown in the past two years, encountered new domestic and international headwinds during this period.

**Indian economy:** Even as India evolved into an open-market economy, legacy influences remained. In the last three years, Indian economy slowed following a deliberately tight monetary policy to counter inflation, which resulted in investment decline, investor pessimism, increased fuel subsidy expenditure (arising out of higher crude prices), rising fiscal deficit and worsening current account deficit. This reality was reflected in the second year of sub-5% GDP growth as the Indian economy grew by about 4.7% in 2013-14.

## Indian tile industry

India ranks amongst the top three countries in terms of tile production and consumption of tiles. The size of the Indian tile industry was estimated at ₹18,000 crore as on FY12. Despite a slowdown in the economy, demand for tiles continued to grow at a healthy 13% with organised players growing at a rate of 15-16%. The sectoral potential is large due to increasing urbanisation, growth in property development and the housing sector, as well as a low per capita consumption of tiles in India at 0.5 square metres. Chinese per capita consumption stands at 2.6 square metres.

India's production in FY12 stood at 691 million square metres which was 6.2% of the worldwide production of 11,166 million square metres. China was the leader in this segment with a production of 5,200 million square metres (47% of the total global production) (Source: Ceramic World Review).

Global consumption during the period stood at 10,912 million square metres, of which 6.24% (681 million square metres) was accounted for by India. China was also the consumption leader claiming 39% of the international market, or 4,250 million square metres.

The principal product segments within the country's tile industry comprised the wall tile, floor tile, vitrified tile and industrial tile segments. In value terms, vitrified tiles made up 50% of the total industry, followed by floor tiles at 23%, wall tiles at 20% and industrial tiles at 7% (Source: Indian Council of Ceramic Tiles and Sanitaryware). The industry is trending towards larger sizes and high value varieties like digital, glazed vitrified tiles, double-charge and multi-surface appeal.

India's organised sector accounted for 40% of the total production and provided employment to more than five lac Indians directly and indirectly.

## Opportunities

Demand for tiles in India is set to grow because of the following reasons:

- **Urbanisation:** India's urban population of 286 million in 2001 grew to 377 million in 2011 and is expected to grow to 814 million by 2050.
- **Growth in infrastructure spending:** As per projections, an investment of \$1 trillion is required in the infrastructure sector in India (of which half is expected to come from the private sector) as per the Twelfth Five Year Plan.
- **Real estate growth:** The value of India's real estate residential industry is \$67 billion is expected to rise to \$180 billion by 2020. The sector has also seen FDI worth \$4 billion which is expected to rise to \$25 billion by 2024.
- **Increase in commercial space:** 167 million square feet of office space is to be developed in India between 2013 and 2015.
- **Per capita income:** As per World Bank data, India's gross income per capita rose from \$4,100 in 2009 to \$4,840 in 2011 and \$5,350 in 2013, catalysing home spending.
- **Hospitality:** India had 121,000 hotel rooms in 2011 and in 2014, is expected to have 443,000 hotel rooms.
- **Healthcare:** The healthcare sector in India has been growing at a CAGR of 15% and is expected to grow to \$250 billion by 2020.

- **Aviation:** With a growth rate of 18% per annum, the Indian aviation industry is one of the fastest growing in the world. Within the Twelfth Five Year Plan, an expected investment of \$12.1 billion is planned for the upgradation of airports and construction of new low-cost facilities.
- **Malls and retail space:** The organised retail penetration in India of 7% compares poorly with 25% in China. Average mall size in 2010 was 300,000 square feet and expected to rise to 400,000-700,000 square feet by 2015-18.

### Threats

- Persistence of the anti-dumping policy has been for long and will continue to be a threat to the industry. Cheap imports from China can affect sales and margins. Moreover, tiles being heavy items and fragile, freight costs and losses are high for importers. In the last year, the rupee fell quite a few notches against the USD adding to the cost of imported material and rendering most of the commonly imported products unviable.
- Imports and competition from the unorganised tile sector are the major threats as they are priced more competitively.
- Lack of natural gas facilities coupled with the rising cost of gas have stymied profits.
- Inconsistent government policies might affect the housing and infrastructure sector, ultimately affecting the ceramic industry at large.
- The rupee exchange rate with the US dollar also impacts natural gas prices. Any undesirable variation in either or both factors adversely affects margins. A focus on digital products which provide higher margins will help dovetail some of the possible cost increases. The Company is not excessively dependent on imports and only imports a few raw materials. Moreover, this risk is self-mitigating because when raw material imports become costlier, imported tiles become even more costly, improving the odds for local manufacturers.
- Risk of employee attrition is also one of the major threats. The Company is mitigating the same through employee-friendly policies, a keen emphasis on training and development and other HR initiatives.

### Outlook

The coming years will be marked by rising awareness about the tiles industry. As aspirations and perceptions regarding home beautification evolve slowly the tile sector is also seen becoming more lifestyle-oriented. Faster urbanisation

and rising disposable incomes of the growing middle class and a 40 million unit housing shortage will catalyse growth of the industry. Marketing practices in the ceramic industry have undergone a sea change - from sports marketing, charity marketing to internet marketing, micro film marketing. A major change that took over the ceramic tiles industry, was the introduction of vitrified and porcelain tiles. These new entrants are said to be the tiles of the future. These new products and the conventional wall and floor tiles have helped the organised players reach new heights. This coupled with a spate of expansions by many players have brightened prospects for the industry.

In the residential replacement industry, ceramic tiles are used for many purposes such as for designing, flooring and wall fittings, protection from rain and sunlight. Residential replacement, besides having the maximum market share, is also expected to be the fastest growing application segment of ceramic tiles, growing at a CAGR of 8.6% from 2012 to 2018.

The global demand for wall tiles is expected to reach 7,096.4 million square metres by 2018, growing at a CAGR of 8.0% from 2012 to 2018. The increasing usage of ceramic tiles is expected to drive the global ceramic tile market.

The Asia-Pacific region has emerged as the leading market for ceramic tiles and accounted for 66.65% of the global demand in 2011. It's also the fastest growing market for ceramic tiles, growing at a CAGR of 8.8% in terms of volume from 2012 to 2018.

### Financial Performance

- The Company's sales and other income stood at ₹773.26 crore as on March 31, 2014
- The Company's gross revenues stood at ₹854.45 crore as on March 31, 2014
- The Company's EBITDA stood at ₹65.40 crore as on March 31, 2014
- The Company's net profit stood at ₹14.26 crore as on March 31, 2014
- The Company's profit before tax stood at ₹22.67 crore as on March 31, 2014
- The Company's cash profit stood at ₹35.86 crore as on March 31, 2014
- The Company EBITDA margin stood at 8.47%
- The Company's net profit margin stood at 1.85%
- The Company's average realisations increased from ₹340 per square metre in 2012-13 from ₹360 per square metre in 2013-14

## Segment-wise performance

### Tiles

- The gross revenues stood at ₹703 crore in 2013-14 as compared to ₹687 crore in 2012-13.
- The segment contributed 82% to total revenues during the year.

### Marble

- The gross revenues stood at ₹126 crore in 2013-14 as compared to ₹96 crore in 2012-13.
- The segment contributed 15% to total revenues during the year.

### Risks and concerns

Freight, supply of power and gas remains the key cost-related issues impacting the industry. Availability, consistency and cost-efficiency are imperative for the growth of the ceramic tile industry.

The tiles industry suffers from frequent price hikes which are in turn linked to international oil prices and forex fluctuations.

As the ceramic industry is by and large an unorganised sector, there is lack of employee development programmes, poor sampling and inadequate number of dealers are major concerns for the industry.

Also, the prevailing anomalies pertaining to customs duty on import of ceramic tiles from China and raw materials from abroad need to be corrected to prevent dumping of tiles from China.

Competition from various organised and unorganised sectors affects the revenues. Hence the Company continues its brand promotion through various exhibitions, trade conferences and advertisements.

Innovations in technology allows the Company to cater to customers from diverse socioeconomic profiles. Consequently, hence the Company has built a strong R&D team along with a fully- equipped laboratory.

### Internal Control System

The Company has a separate internal audit department with experienced staff, placed under the supervision and control of the GM (Finance) & CFO. The organisational set up and the system control have been functioning efficiently with most of the branches electronically connected with the Head Office. The internal controls are constantly upgraded based on internal audit recommendations. Every quarter, significant audit findings, recommended corrective steps and their implementation status are presented to the Board of Directors.

### Human Resource Development And Industrial Relations

The Company believes that human resources comprise the most important asset of the organisation. During the year under review, the Company has concentrated on enhancing individual and organisational capabilities for being future-ready, driving greater employee engagement and strengthening employee relations further.

The Company has been investing in progressive employee relations practices to ensure that it invests in capability-building at the grassroots level.

The Company recognises people as the primary source of its competitiveness and continues to focus on people development by leveraging technology and developing a continuously learning human resource base to unleash their potential and fulfill their aspirations.

The Company employed 200 professionals during the year and the Company's employee base stood at 2,030 as at March 31, 2014.

### Cautionary Statement

Statements made in this report describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

# CORPORATE GOVERNANCE REPORT

(As required by Clause 49 of the Listing Agreement of the Stock Exchanges)

## 1. Philosophy:

Our Company is determined to comply with the letter and spirit of the law, in and outside of India, and to be fair and transparent in all its dealings. Moreover, we strive to enhance our accountability and the timely and appropriate disclosure of information. Our Company is respectful of the people, culture, and tradition of each region and country in which it operates. We conduct intensive product research and forward-looking development activities to create new value for its customers. We will continue offering products and services that provide customers with fresh excitement and continued enjoyment. We nurture the inventiveness and other abilities of its employees. It seeks to create a climate of cooperation, so that employees and the Company can realize their full potential.

We must strive to maximize our corporate value which leads to our employees and their families enjoying more stable and fulfilling lives. Our mission is to meet and exceed stakeholder's expectations.

## 2. Board of Directors:

### (i) Composition/ Category of Directors / Attendance at Meetings/ Directorships and Committee Memberships in other Companies as on March 31, 2014:

The Board consists of twelve members. The composition of Board of Directors, the number of other Directorship or Board Committees of which he is a member / Chairperson is as under:

Name of Director	Category	Designation	Attendance of Meetings during 2013-14		Other Directorships/ Board Committees (Numbers)		
			Board Meeting	Last AGM	Directorships in Other Cos	Committee membership	Committee Chairmanship
Mr. Kamleshbhai Patel	Promoter Executive Director	Chairman & Managing Director	12	Yes	2	2	0
Mr. Mukeshbhai Patel	Promoter Executive Director	Managing Director	10	Yes	1	0	0
Mr. Bhaveshbhai Patel	Executive Director	Director	12	Yes	0	0	0
Mr. Sureshbhai Patel	Executive Director	Director	12	Yes	1	0	0
Mr. Bhogilal Patel	Executive Director	Director	12	Yes	0	0	0
Mr. Kanubhai Patel	Executive Director	Director	12	No	0	0	0
Mr. Maganlal Prajapati	Independent and Non-Executive Director	Director	04	Yes	0	3	3
Mr. Mahesh Chander Julka*	Independent and Non- Executive Director	Director	01	No	0	0	0
Mr. Shankerlal Patel	Independent and Non-Executive Director	Director	03	No	0	1	0
Mr. Ajendrabhai Patel	Independent and Non-Executive Director	Director	04	No	2	1	0
Mr. Premjibhai Chaudhary	Independent and Non-Executive Director	Director	04	No	1	0	0
Mr. Amrutbhai Patel	Independent and Non-Executive Director	Director	03	No	1	2	0
Dr. Indira Nityanandam*	Independent and Non-Executive Director	Additional Director	01	No	0	1	0

\*NOTE: Mr. Maheshchander Julka has resigned w.e.f. 30.05.2013 and Dr. Indira Nityanandam has been appointed as Independent Director w.e.f 29.11.2013.

None of the Non-Executive Directors has any pecuniary relationship or transaction with the Company.

The Board has held 12 Meetings during the Financial Year 2013-14 as under:

DATES OF BOARD MEETINGS			
Sr. No.	Date	Sr. No.	Date
1	May 27, 2013	7	November 29, 2013
2	May 30, 2013	8	January 13, 2014
3	July 8, 2013	9	January 16, 2014
4	August 12, 2013	10	February 10, 2014
5	November 11, 2013	11	February 28, 2014
6	November 14, 2013	12	March 25, 2014

#### Appointment/ Re-appointment of Directors:

Pursuant to the provisions of section 161(1) of the Companies Act, 2013 and Articles of Association of the Company Dr. Indira Nityanandam was appointed as an Additional Director, designated as Independent Director by the Board of Directors in its meeting held on November 29, 2013 upto the conclusion of the ensuing Annual General Meeting of the Company. The appointment of Dr. Indira Nityanandam, as an Independent Director of the Company, is subject to the approval of the members. She is being appointed for consecutive term upto March 31, 2019.

Mr. Sureshbhai J. Patel retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

The Company is appointing its Independent Directors Mr. Maganlal Prajapati, Mr. Shankarlal Patel, Mr. Ajendrabhai Patel, Mr. Premjibhai Chaudhary, Mr. Amrutbhai Patel from April 1, 2014 for consecutive term upto March 31, 2019 as per the provisions of Companies Act, 2013.

The Company has received declarations from all Independent Directors of the Company that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

Brief resumes of the directors being appointed/reappointed form the part of Notice of the ensuing Annual General Meeting.

### 3. Audit Committee:

#### (i) Terms of reference

The terms of reference of this Committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement.

#### (ii) Composition, name of members and Chairman, meetings held during the year and attendance at meetings

The Company has complied with the requirements of Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013 as regards composition of Audit Committee.

The Committee has held Four Meetings during the financial year

2013-14 i.e. May 30, 2013, August 12, 2013, November 11, 2013 and February 10, 2014. The composition of the Audit Committee as on March 31, 2014 and the attendance of the members at the meeting of the Audit Committee held during the financial year 2013-14 were as follows:

Members of Audit Committee	No. of Meetings Attended
Mr. Maganlal Prajapati (Chairman)	Four
Mr. Maheshchander Julka*	One
Mr. Amrutbhai Patel	Three
Mr. Kamleshbhai B. Patel	Four

\*NOTE: Mr. Maheshchander Julka has resigned w.e.f 30.05.2013 and Mr. Amrutbhai Patel has been appointed as Committee Member w.e.f 06.08.2013.

### 4. Nomination/ Remuneration Committee:

#### (i) Terms of reference

The role of the Remuneration Committee is to recommend to the Board, the remuneration package for the Managing/ Executive Directors and senior officials just one level below the Board.

#### (ii) Composition, name of members and Chairman, meetings held during the year and attendance at meetings

The Remuneration Committee presently consists of three Independent Directors. The Committee has held four meetings during the financial year 2013-14 i.e., on May 30, 2013, August 12, 2013, November 11, 2013 and February 10, 2014. The Composition of the Remuneration Committee as on March 31, 2014 and the attendance of the members at the meeting of the Remuneration Committee held during the financial year 2013-14 were as follows:

Members of Remuneration Committee	No. of Meetings Attended
Mr. Maganlal Prajapati (Chairman)	Four
Mr. Maheshchander Julka*	One
Mr. Ajendrabhai Patel	Three
Mr. Shankarlal Patel	Three

\*NOTE: Mr. Maheshchander Julka has resigned w.e.f. 30.05.2013 and Mr. Ajendrabhai Patel has been appointed as Committee Member w.e.f. 06.08.2013.

To comply with the provisions of the Companies Act, 2013 Remuneration Committee has been renamed as Nomination and Remuneration Committee w.e.f. May 29, 2014.

(iii) **Remuneration Policy/ Criteria of payments to Non-Executive Directors:**

The Company pays remuneration to its Managing Director/ Whole Time Director by way of salary, perquisites and allowances. Their remuneration is governed by the external competitive environment; track record, potential, individual performance and performance of the Company as well as industrial standard. Further the remuneration being paid is within the ceiling prescribed under the applicable provisions of the Companies Act, 2013 and is subject to the approval of the Remuneration Committee of the Board of Directors and the members of the Company.

The Non-Executive Independent Directors are paid sitting fee for attending the Board Meetings.

The Details of remuneration paid during the Financial Year 2013-14 are as under:

Name of Director	Sitting fees (₹)	Salary and Perquisites (₹)	Stock Option	Pension	Total (₹)
Mr. Kamleshbhai Patel	-	2,399,900	-	-	2,399,900
Mr. Mukeshbhai Patel	-	1,920,000	-	-	1,920,000
Mr. Sureshbhai Patel		1,920,000			1,920,000
Mr. Bhaveshbhai Patel		1,837,925			1,837,925
Mr. Kanubhai Patel		1,500,000			1,500,000
Mr. Bhogilal Patel		1,200,000			1,200,000
Mr. Maganlal Prajapati	27,777	-	-	-	27,777
Mr. Maheshchander Julka*	5,555	-	-	-	5,555
Mr. Shankarlal Patel	16,665	-	-	-	16,665
Mr. Ajendrabhai Patel	27,777	-	-	-	27,777
Mr. Premjibhai Chaudhary	11,110	-	-	-	11,110
Mr. Amrutbhai Patel	22,222	-	-	-	22,222
Dr. Indira Nityanandam*	11,112	-	-	-	11,112

\*NOTE: Mr. Maheshchander Julka has resigned w.e.f 30.05.2013 and Dr. Indira Nityanandam has been appointed as Independent Director w.e.f 29.11.2013.

**5. Shareholders/Investors Grievances Committee:**

The Board of Directors of the Company had set up a Shareholders/ Investors Grievances Committee, which has been authorised to oversee and review all matters connected with the investor services in connection with rematerialisation and dematerialization of shares and transfer/ transmission/ transposition of shares. The Committee oversees performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The Board has delegated the authority to approve the transfer of shares to the officers of the Company and the Registrar and Share Transfer Agent.

The Committee has held four meetings during the financial year 2013-14 i.e. on May 30, 2013, August 12, 2013, November 11, 2013 and February 10, 2014. The composition of the Shareholders Committee as on March 31, 2013 and the attendance of the members at the meeting of the Shareholders Committee held during the financial year 2013-14 were as follows:

Members of Shareholders/ Investors Grievances Committee	No. of Meetings Attended
Mr. Maganlal Prajapati (Chairman)	Four
Mr. Maheshchander Julka*	One
Mr. Amrutbhai Patel	Three
Mr. Kamleshbhai B. Patel	Four

\*NOTE: Mr. Maheshchander Julka has resigned w.e.f 30.05.2013 and Mr. Amrutbhai Patel has been appointed as Committee Member w.e.f 06.08.2013.

**The Details of investors complaints received and resolved during the financial year 2013-14 is as under:**

No. of investors complaints received during the year	No. of investors complaints resolved during the year	Investors complaints pending at the end of the year
2	2	0

During the year ended March 31, 2014, the Company has received 2 complaints which have been resolved during the year and there are no complaints outstanding as on March 31, 2014. Normally all the complaints are disposed of within 30 days.



Pursuant to the provisions of Section 178(5), the Company has renamed the Shareholders Grievances Committee as Stakeholders Grievances and Relationship Committee vide resolution passed in the Board Meeting dated May 29, 2014.

## 6. Corporate Social Responsibility Committee:

### (i) Terms of reference

The role of Corporate Social Responsibility Committee is to formulate and recommend to the Board, a Corporate Social Responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, to recommend the amount of expenditure to be incurred on the activities referred in CSR policy and to monitor the Corporate Social Responsibility Activities undertaken by the Company from time to time.

### (ii) Composition, name of members and Chairman

In order to meet the requirement of the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, Board has in its meeting held on May 29, 2014 formed the Corporate Social Responsibility Committee comprising of three Directors as under:

#### Members of Corporate Social Responsibility Committee

Mr. Kamlesh B. Patel (Chairman)

Mr. Mukesh J. Patel (Member)

Dr. Indira Nityanandam (Member)

## 7. Details of General Body Meetings:

### (i) Location and time where last three Annual General Meetings (AGMs) held:

Financial Year	Location	Date & Time
2010-11	AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad- 380015 (Gujarat)	September 29, 2011 10.30 a.m.
2011-12	AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad- 380015 (Gujarat)	September 20, 2012 11.00 a.m.
2012-13	AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad- 380015 (Gujarat)	August 19, 2013 4.30 p.m.

### (ii) Special Resolution passed in the previous three Annual General Meetings

In last three AGMs the Company has passed special resolutions regarding (1) Special Resolution passed for Mr. Jagdishkumar Patel, Mr. Vipulbhai Patel, Mr. Vinodbhai Patel, Mr. Sureshbhai Patel and Mr. Rameshbhai Patel under Section 314 to hold office or place of profit. (2) Special Resolution passed for appointment of Mr. Mukeshbhai Patel as a Managing Director along with

change in terms of appointment under Section 198 read with Schedule XIII. (3) Special Resolution passed for appointment of AL Reyami Walls & Floors LLC as the sole selling agent of the Company for the sale and distribution of products in United Arab Emirates and its territory under section 294AA and other applicable provisions of the Companies Act, 1956. (4) Special Resolution passed for preferential issue under Section 81(1A). (5) Special Resolution passed for appointment of Mr. Shaunakbhai M. Patel as Marketing Manager, Mr. Hirenabhai S. Patel as Marketing Manager and Mr. Bhagubhai P. Patel as Medical Officer of the Company. Except as mentioned above there was no special resolution passed by the Company at the previous three Annual General Meetings.

### (iii) Postal Ballot

No Postal ballot was conducted in the year 2013-14. As on date, the Company does not has any proposal to pass any special resolution by way of postal ballot.

## 8. Subsidiary Company

AGL Industries Limited is 100 percent wholly owned subsidiary of our Company.

Financial Statements of our unlisted subsidiary Company was reviewed by the Audit Committee of the Company and Minutes of their Board Meetings as well as statements of all significant transactions of Unlisted Subsidiary Company is placed before the Board for their review.

## 9. Disclosures:

### a. Disclosures on materially significant related party transactions:

Transactions with the related parties are set out in Significant Accounting Policies and Notes on Accounts – Note No.1 forming part of the Annual Report.

None of the transactions with any of the related parties were in conflict with the interest of the Company.

### b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory on any matter related to capital markets, during the last three years:

The Company has complied with the requirements of the Listing Agreement of the Stock Exchanges as well as regulations and guidelines of SEBI. Neither any penalty nor any stricture has been passed by SEBI, Stock Exchange or any other statutory authority on matters relating to capital markets, in the last three years.

### c. CEO / CFO Certification

Mr. Kamleshbhai B. Patel, Chairman & Managing Director and Mr. Kalidasbhai J. Patel, CFO of the Company give annual certificate on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement.

d. **Policy on protection of women against Sexual Harassment at Work Place**

The Company has framed a "Policy on protection of women against sexual harassment at work place" with effect from April 1, 2014 in supersession of the earlier policy of the Company in this regards. The new Policy intends to establish a more robust mechanism for prevention and redressal of complaints of sexual harassment and thus seeks to provide protection to women against sexual harassment at work place.

e. **Prohibition of Insider Trading**

In compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the Directors, Officers and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code is self explanatory regarding guidelines which advises them on procedure to be followed and disclosures to be made, while dealing with the shares of the Company.

f. **Risk Management Policy:**

The Company has framed a formal Risk Management Framework for risk assessment and risk minimization which is periodically reviewed to ensure smooth operation and effective management control. The Audit Committee also reviews the adequacy of the risk management framework of the Company, the key risks associated with the business and measure and steps in place to minimize the same.

**10. Non-Mandatory Requirements:**

- **The Board:** The Companies Act, 2013 provides for the appointment of Independent Director. Sub section (10) of Section 149 of the Companies Act, 2013 provides that the Independent Director shall hold the office for a term of upto 5 consecutive years on the Board of the Company; and shall be eligible for re-appointment on passing a Special resolution by the Shareholders of the Company. Sub section (11) states that no Independent Director shall be eligible for more than two consecutive terms of 5 years. The Company have initiated and proposed appointment of Independent Directors for period of 5 years at the ensuing Annual General Meeting of the Company.
- **Remuneration Committee:** The Company has constituted Remuneration Committee. A detailed note on Remuneration Committee is provided above in the Report.
- **Shareholder's Rights:** Half yearly financial results including summary of the significant events are presently not being sent to shareholders of the Company. However quarterly financial results are published in the leading newspapers and are also available on the website of the Company.
- **Audit Qualification:** There is no qualification in the Auditor's Report on the Financial Statements to the shareholders of the Company.

- **Training of Board Members:** Board Members are regularly updated about the enactment of the new Acts and provisions thereof which are directly affecting the Company. They are broadly briefed about their responsibilities and duties in general as Directors of the Company. Presentations are done in Board Meeting such that they remain updated and focused.
- **Mechanism for evaluating Non-Executive Board Members:** The Company is in process of framing policy on evaluation of Non-Executive Board Members.
- **Whistle Blower Policy:** Asian Granito India Limited has implemented a Whistle Blower policy covering its employees. The policy provides access to Mr. Mukeshbhai J. Patel, Managing Director of the Company. Employees can lodge their Complaints through anonymous e-mails besides usual means of communications like written complaints.

**11. Means of Communication:**

**Quarterly Financial Results:**

The quarterly/ half yearly/annual financial results are published in Business Standard, Indian Express and Jaihind, Financial Express (English daily and Gujarati daily respectively). The results were also submitted to Stock Exchanges as per Clause 41 of the Listing Agreement. The financial results are also placed on the Company's website namely [www.aglasiangranito.com](http://www.aglasiangranito.com).

NSE Electronic Application Processing System (NEAPS): The NEAPS is a web based application designed by NSE for Corporates. The Shareholding Pattern, Corporate Governance Report, Reconciliation of Share Capital Audit and various other corporate announcements are filed electronically on NEAPS.

BSE Listing Centre: The new electronic system introduced by Bombay Stock Exchange Limited for submission of Quarterly/ Half Yearly / Yearly compliance like Share holding Pattern, Corporate Governance Report, Board Meeting intimation of the Company and other corporate announcements in E-Mode. BSE Listing Centre is web based application designed by Bombay Stock Exchange for Corporates.

**Official News Releases**

The Company holds press analyst meets and makes necessary presentations, to appraise and publish the information relating to Company's working and future outlook.

**12. General Shareholder Information:**

**I. Annual General Meeting**

Date and Time : September 30, 2014 at 2.30 p.m.  
Venue : AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380015

**II. Profile of Directors seeking reappointment.**

The profile of Directors who are seeking reappointment/ appointment at the Annual General Meeting is furnished below:

**Mr. Amrutbhai I. Patel:**

Mr. Amrutbhai I. Patel, aged 57 years, is a graduate in Science (Chemistry). He is having experience of 34 Years in ceramic industry. He is a pioneer in India in manufacturing of Roler Kiln. He is Director in our Company.

**Directorships in other Companies:** Carol Zircolite Private Limited

**Committee Memberships in other Companies:** Member in Audit Committee and Shareholders Grievance Committee of Asian Granito India Ltd.

**Shareholding in Asian Granito India Limited:** Nil

**Mr. Premjibhai R. Chaudhari:**

Mr. Premjibhai R. Chaudhari, aged 69 years, is working with GIFT city as Senior Vice President. He is BE (Electrical) and is having wide experience as Expertise in Electrical Industry for more than 44 years. He is the Director of our Company.

**Directorships in other Companies:** GIFT Power Company Limited

**Committee Memberships in other Companies:** Nil

**Shareholding in Asian Granito India Limited:** Nil

**Mr. Sureshbhai J. Patel:**

Mr. Sureshbhai J. Patel, aged 48 years, a commerce graduate is in the line of ceramic industry from more than 12 years.

**Directorships in other Companies:** AGL Infrabuild Private Limited

**Committee Memberships in other Companies:** Nil

**Shareholding in Asian Granito India Limited:** 1122793 Equity Shares

**III. Financial Calendar (tentative)**

Results for first quarter ending

June 30, 2014. : On August 8, 2014

Results for second quarter

ending September 30, 2014 : On or before November 14, 2014

Results for third quarter

ending December 31, 2014 : On or before February 14, 2015

Audited result for the FY

2014-15 : On or before May 30, 2015

**IV. Book Closure Date:**

The Register of Members and the Share Transfer Books of the Company

will remain closed from Thursday, September 25, 2014 to Tuesday, September 30, 2014 (both days inclusive).

**V. Registered Office:**

Asian Granito India Limited

202, Dev Arc, Opp. Iskcon Temple,

Sarkhej Gandhinagar Highway,

Ahmedabad – 380015

CIN : L17110GJ1995PLC027025

**VI. Listing of Equity Shares on Stock Exchange:**

The Equity Shares of the Company are currently listed at National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Company has paid till date, appropriate listing fees to both the stock exchanges where the Company's equity shares are listed.

**National Stock Exchange of India Limited**

Exchange Plaza, Plot no. - C/1, G - Block,

Bandra – Kurla Complex,

Bandra (E), Mumbai – 400051

**Bombay Stock Exchange Limited**

2nd Floor, P. J. Towers,

Dalal Street, Fort,

Mumbai – 400 001

**Location of the Depositories:**

National Securities Depository Ltd.

Trade World, 4th Floor,

Kamala Mills Compound, Senapati Bapat Marg,

Lower Parle, Mumbai- 400013

**Central Depository Services (India) Ltd.**

Phiroze Jeejeebhoy Towers,

28th Floor, Dalal Street,

Mumbai-400 001

**VII. Stock Code:**

Bombay Stock Exchange (Scrip Code): 532888

National Stock Exchange (Trading Symbol): ASIANTILES

ISIN Number for Equity Shares: INE022I01019

## VIII. Stock Market Data:

### Stock market price data:

Month	NATIONAL STOCK EXCHANGE OF INDIA LIMITED			BOMBAY STOCK EXCHANGE		
	High (₹)	Low (₹)	Total numbers of shares traded	High (₹)	Low (₹)	Total numbers of shares traded
Apr-13	42.45	37.00	11,884	43.90	36.65	11,658
May-13	43.40	36.55	23,741	42.95	36.15	48,389
Jun-13	38.85	27.55	21,693	39.40	27.50	13,039
Jul-13	32.45	22.25	14,296	32.85	24.10	5,15,300
Aug-13	31.10	20.55	21,636	29.75	21.30	7,65,887
Sep-13	30.30	23.20	29,298	31.00	23.05	21,571
Oct-13	28.20	22.60	27,429	27.60	23.00	37,363
Nov-13	35.20	22.15	47,485	34.40	22.00	25,869
Dec-13	39.70	25.00	74,839	39.65	24.00	1,02,519
Jan-14	39.70	28.05	18,291	39.75	29.75	33,017
Feb-14	34.35	25.10	51,557	34.00	25.40	2,96,281
Mar-14	29.50	24.50	1,37,262	29.95	24.20	3,16,619

(Source: NSE and BSE websites)

## IX. Registrar and Share Transfer Agents:

For lodgment of transfer deeds and other documents or any grievances/complaints, investor may contact the Company's Registrar and Share Transfer agent at the following address:

### Link Intime India Pvt. Ltd

C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai 400078.

Tel : 022 25946970, 022 25946960, 022 25967878

Fax : 022 25946969

E-mail Address: mumbai@linkintime.co.in, ipo.helpdesk@linkintime.co.in

## X. Share transfer System

Securities lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgment, if documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Grievances received from investors and other miscellaneous correspondences on change of address mandates among others are processed by the Registrar within 30 days.

As per requirement of Clause 47(c) of listing agreement with Stock Exchange, the Company has obtained the half yearly certificate from a Company Secretary in practice for due compliance of demat requests.

## XI. Distribution of Shareholding:

No. of equity shares held	As on March 31, 2014			
	No. of shareholders	% of shareholders	Total no. of shares held	% of shareholding
1 – 500	4513	87.38	584656	2.59
501 – 1000	229	4.43	190681	0.84
1001 – 2000	148	2.87	229191	1.01
2001 – 3000	41	0.79	105359	0.47
3001 – 4000	16	0.31	55423	0.25
4001 – 5000	22	0.42	106472	0.47
5001 – 10000	50	0.97	386826	1.71
10001 and Above	146	2.83	20923933	92.66
<b>TOTAL</b>	<b>5165</b>	<b>100.00</b>	<b>22582541</b>	<b>100.00</b>

**Categories of Shareholding (as on March 31, 2014):**

Category of holder	No. of shares	% of equity
Other bodies corporate	3078356	13.63
Clearing member	65637	0.29
Directors	5519479	24.44
FII	950000	4.21
Non-resident Indians	9860	0.04
Non-resident (Non-repatriable)	2039	0.009
Public	10004041	44.30
Promoters	619284	2.74
Relatives of Directors	2333845	10.34
<b>TOTAL</b>	<b>22582541</b>	<b>100.00</b>

**XII. Dematerialization of Shares and Liquidity:**

The equity shares of the Company are available under dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's equity shares are compulsorily traded in dematerialised form. The ISIN No. of the Company is INE022101019.

As on March 31, 2013, 2,25,82,528 equity shares of the Company have been dematerialised representing 99.99 % of the total shares.

**XIII. Code of Conduct:**

The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management and that the same has been posted on the Company's website. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct.

**XIV. Outstanding GDR / ADRs / Warrants or any convertible instrument, conversion date and likely impact on the equity:**

As on date, the Company has not issued GDRs, ADRs, or any other convertible instruments and as such there is no impact on the equity share capital of the Company.

**XV. Plant Locations:**

- |   |  |
|---|--|
| (1) Asian Granito India Limited<br>Ceramic Zone, Katwad Road, | (2) Asian Granito India Limited<br>B/h. Sardar Plant |
|---|--|

At & Po. Dalpur,  
Taluka Prantij 383 120,  
Dist. Sabarkantha

Idar -383430  
Dist. Sabarkantha

**XVI. Investor Correspondence:**

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address and any other query relating to shares of the Company please write to:

**Link Intime India Pvt. Limited**

Unit No. 303,  
3rd floor, Shoppers Plaza V,  
Opp. Municipal Market,  
Behind Shoppers Plaza – II,  
Off. C. G. Road,  
Ahmedabad – 380 009  
E-mail: ahmedabad@linkintime.co.in

For any other general matters or in case of any difficulties/ grievances please write to:

**Renuka A. Upadhyay**

Compliance Officer  
Asian Granito India Limited  
202, Dev Arc, Opp. Iskon Temple,  
Sarkhej Gandhinagar Highway,  
Ahmedabad – 380015  
E-mail: cs@aglasiangranito.com  
Phone No. : 079 - 66125500/698/699  
Fax No. : 079 - 66058672/66125600

**Registered Office & Corporate Office:**

202, Dev Arc, Opp. Iskon Temple,  
Sarkhej Gandhinagar Highway,  
Ahmedabad – 380 015

Place : Ahmedabad  
Date : May 29, 2014

FOR AND ON BEHALF OF  
**THE BOARD OF DIRECTORS**

**KAMLESHBHAI B. PATEL**  
*Chairman & Managing Director*

# Certificate On Compliance With The Conditions Of Corporate Governance Under Clause 49 Of The Listing Agreement

To  
The Members of  
**Asian Granito India Limited**

1. We have reviewed the compliance of conditions of Corporate Governance by (the Company) during the year ended March 31, 2014 with the relevant records and documents maintained by the Company and furnished to us.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an express of opinion on the financial statements of the Company.
3. On the basis of our review and according to the information and explanations given to us, we certify that the Company has for the year ended March 31, 2014 complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.
4. We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors' grievances Committee.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **A. L. Thakkar & Co.**  
*Chartered Accountant*  
(FRN: 120116W)

**Sanjiv V. Shah**  
*[Partner]*

Place : Ahmedabad  
Date : May 29, 2014

# Independent Auditor's Report

To the Members of  
**Asian Granito India Limited**

## Report on the Financial Statements

We have audited the accompanying financial statements of **ASIAN GRANITO INDIA LIMITED**, which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the

Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - e) On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **A.L. Thakkar & Co.**  
*Chartered Accountants*  
FRN: 120116W

**Sanjiv V. Shah**  
*[Partner]*

Place : Ahmedabad  
Date : May 29, 2014

Membership No. : 42264

# Annexure to the Auditor's Report

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Asian Granito India Limited on the accounts of the Company for the year ended March 31, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that :-

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) In our opinion and according to the information and explanations given to us, the Company has not disposed off a substantial part of its fixed asset during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has given loans, to two companies, and one trust listed in the register maintained under Section 301 of the Companies Act, 1956. In respect of said loans, the maximum amount outstanding at any time during the year was ₹1,05,50,563/- & ₹2,60,00,000/- and in Trust ₹3,16,83,021/- respectively. The year-end balance is ₹19,21,828/-, ₹2,17,23,359/- & ₹3,16,83,021/- respectively.  
(b) In our opinion and according to the information and explanation given to us, The rate of interest and other terms and conditions on which loans have been given by the Company are not prima facie, prejudicial to the interest of the Company.  
(c) We have been informed that the said loans are repayable on demand. The parties are regular in paying the interest.  
(d) In respect of the said loans and interest thereon, there are no overdue amounts.  
(e) The Company had taken unsecured loans from one party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year as ₹27,65,000/- and the year end balance of loans taken from such parties was ₹ NIL.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
(b) As per information & explanations given to us and in our opinion, the transaction entered into by the Company with parties covered u/s 301 of the Companies Act, 1956 and exceeding the value of ₹5,00,000 in respect of each party during the year have been made at prices which are reasonable as per information available with the Company.
6. According to the information and explanation given to us, the Company has not accepted any deposits from the public. Therefore the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no undisputed outstanding statutory dues as on March 31, 2014 for a period of more than six months from the date they became payable.



(b) According to the information and explanations given to us, there are no disputed dues of wealth tax, service tax, customs duty and excise duty which

have not been deposited. Details of disputed dues of sales tax which have not been deposited by the Company are as follows.

Name of the Statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Laws	Sales Tax	45,07,857/-	2003-04	Joint Commissioner of Commercial Tax - Appeals
Sales Tax Laws	Sales Tax	19,62,743/-	2004-05	Joint Commissioner of Commercial Tax - Appeals
Gujarat Value Added Tax Act	VAT/CST	26,53,636/-	2006-07	Deputy Comm. of Commercial Tax - Appeal-III, Gandhinagar
Gujarat Value Added Tax Act & Central Sales Tax Act	CST	55,83,126/-	2008-09	Joint Commissioner of Commercial Tax - Appeals
Gujarat Value Added Tax Act	VAT	49,27,910/-	2007-08	Deputy Comm. of Commercial Tax - Appeal-III, Gandhinagar
Gujarat Value Added Tax Act & Central Sales Tax Act	CST	11,83,893/-	2009-10	Joint Commissioner of Commercial Tax - Appeals
Gujarat Value Added Tax Act & Central Sales Tax Act	VAT / CST	26,53,636/-	2011-12	Deputy Comm. of Commercial Tax - Appeal-III, Gandhinagar

10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of this clause of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the Company has raised term loans during the year and the same have been applied for the purpose for which they were raised.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at March 31, 2014, we

report that no funds raised on short-term basis have been used for long-term investment by the Company.

18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that during the year the Company has made preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956. We are of the opinion that the price at which preferential allotment of shares has been made is not prejudicial to the interest of the Company.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For **A.L.Thakkar & Co.**  
Chartered Accountants  
FRN: 120116W

**Sanjiv V. Shah**  
[Partner]

Place : Ahmedabad  
Date : May 29, 2014

Membership No. : 42264

# Balance Sheet

as at March 31, 2014

(₹ in Lacs)

Particulars	Notes	As at March 31, 2014	As at March 31, 2013
<b>EQUITY &amp; LIABILITIES</b>			
<b>1 Share holders Funds:</b>			
(a) Share Capital	2	2,258.25	2,216.13
(b) Reserve & Surplus	3	25,776.20	23,990.84
(c) Money Received against Share warrants	4	–	255.31
		<b>28,034.45</b>	<b>26,462.28</b>
<b>2 Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	1,981.86	3,373.04
(b) Deferred Tax Liabilities (Net)	6	1,660.31	1,546.78
(c) Other Long Term Liabilities	7	778.99	629.27
		<b>4,421.16</b>	<b>5,549.09</b>
<b>3 Current Liabilities</b>			
(a) Short-Term Borrowings	8	22,823.84	20,318.88
(b) Trade Payables	9	10,374.85	9,149.86
(c) Other Current Liabilities	10	2,442.75	2,954.96
(d) Short-Term Provisions	11	417.03	405.48
		<b>36,058.47</b>	<b>32,829.18</b>
<b>Total Equity &amp; Liabilities</b>		<b>68,514.08</b>	<b>64,840.55</b>
<b>ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	12	17,730.53	17,359.62
(ii) Intangible Assets	12	2.75	2.75
(iii) Capital work-in-progress	12	715.84	275.02
(b) Non Current Investments	13	1,978.64	1,804.99
(c) Long term loans and advances	14	4,945.40	4,589.98
(d) Other non-current assets	15	212.76	–
		<b>25,585.92</b>	<b>24,032.36</b>
<b>2 Current Assets</b>			
(a) Inventories	16	20,496.66	19,038.99
(b) Trade receivables	17	18,598.46	16,988.18
(c) Cash and cash equivalents	18	1,811.83	2,906.05
(d) Short-term loans and advances	19	1,867.07	1,858.30
(e) Other current assets	20	154.14	16.67
		<b>42,928.16</b>	<b>40,808.19</b>
<b>Total Assets</b>		<b>68,514.08</b>	<b>64,840.55</b>
<b>Significant Accounting Policies</b>	1		

The accompanying Notes are an integral part of the Financial Statements

In terms of our report of even date attached

**A. L. Thakkar & Co.**

Chartered Accountants

FRN: 120116W

[Sanjiv V. Shah]

Partner

Membership No. 42264

Place : Ahmedabad

Date : May 29, 2014

**Renuka Upadhyay**

Company Secretary

For and on behalf of

**ASIAN GRANITO INDIA LIMITED**

[Kamleshbhai B. Patel]

Chairman & Managing Director

[Mukeshbhai J. Patel]

Managing Director

Place : Ahmedabad

Date : May 29, 2014

# Statement of Profit and Loss

for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Notes	Year ended March 31, 2014	Year ended March 31, 2013
<b>1 REVENUE</b>			
Revenue from operations (net)	21	75,913.97	70,835.65
Other Income	22	130.38	243.83
<b>Total Revenue</b>		<b>76,044.35</b>	<b>71,079.48</b>
<b>2 EXPENSES</b>			
Cost of materials consumed	23	18,615.76	19,513.29
Purchase of Stock-in-Trade		27,524.47	20,934.43
Change in inventories of finished goods, work-in-progress and stock-in-Trade	24	813.25	(2,606.03)
Employee Benefit Expense	25	3,747.11	3,634.06
Finance Costs	26	2,099.75	2,521.00
Depreciation and Amortization Expense	27	2,160.02	2,168.90
Power & Fuels	28	11,632.31	12,326.05
Other Expenses	29	7,202.00	10,049.46
<b>Total Expenses</b>		<b>73,794.67</b>	<b>68,541.16</b>
<b>3 Profit before exceptional and extraordinary items and tax</b>		<b>2,249.68</b>	<b>2,538.32</b>
<b>4 Exceptional / Extraordinary items</b>		<b>-</b>	<b>-</b>
<b>5 Profit before tax</b>		<b>2,249.68</b>	<b>2,538.32</b>
<b>6 Tax expense :</b>			
(1) Current tax		721.94	870.00
(2) Deferred tax		113.54	(42.54)
<b>Profit for the period</b>		<b>1,414.20</b>	<b>1,710.86</b>
Basic and Diluted Earning per equity share (in ₹) of face value of ₹10 each		6.34	7.74
Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Financial Statements

In terms of our report of even date attached

**A. L. Thakkar & Co.**

Chartered Accountants

FRN: 120116W

**[Sanjiv V. Shah]**

Partner

Membership No. 42264

Place : Ahmedabad

Date : May 29, 2014

**Renuka Upadhyay**

Company Secretary

For and on behalf of

**ASIAN GRANITO INDIA LIMITED**

**[Kamleshbhai B. Patel]**

Chairman & Managing Director

**[Mukeshbhai J. Patel]**

Managing Director

Place : Ahmedabad

Date : May 29, 2014

# Cash Flow Statement

for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Extra-ordinary items	2,249.68	2,538.32
Adjustment for :		
Depreciation	2,160.02	2,163.18
Deferred Revenue Expenditure written off	–	22.48
Preliminary Expenses Amortised	–	5.72
Loss on sale of Fixed Assets	0.24	0.16
Interest and Finance Charges	2,099.75	2,521.00
Interest and Other Income	(130.38)	(330.64)
<b>Operating Profit before working Capital changes</b>	<b>6,379.31</b>	<b>6,920.22</b>
Adjustment for		
Trade and other Receivables	(1,610.28)	(4,031.79)
Loans and advances	(146.24)	(268.60)
Inventories	(1,457.67)	(3,087.19)
Trade Payables	1,236.54	3,256.49
Cash generated from operation Before Income Tax Paid	4,401.66	2,789.13
Direct Taxes Paid	(721.94)	(870.00)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>[A] 3,679.72</b>	<b>1,919.13</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(2,981.15)	(1,306.83)
Sales of Fixed Assets	9.15	–
Increase/Decrease in Investments	(173.65)	(1,504.99)
Interest and Other Income	130.38	330.64
Movements in Loans & Advances	(568.18)	(2,420.13)
Miscellaneous Expenditure	–	–
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>[B] (3,583.45)</b>	<b>(4,901.31)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	(1,241.46)	(759.39)
Proceeds from Short Term borrowings	1,992.75	6,070.95
Interest and Finance Charges	(2,099.75)	(2,521.00)
Final Dividend Paid (Including Dividend Tax)	–	(244.78)
Proceeds from Share Premium	168.50	440.00
Proceeds from Forfeited Share	202.66	–
Proceeds from Equity Share Capital	42.12	110.00
Money received against share warrants	(255.31)	255.31
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>[C] (1,190.49)</b>	<b>3,351.09</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>[A+B+C] (1,094.22)</b>	<b>368.91</b>
Cash and Cash Equivalents as at 1st April, 2013	2,906.05	2,537.14
Cash and Cash Equivalents as at 31st March 2014	1,811.83	2,906.05

The accompanying Notes are an integral part of the Financial Statements

In terms of our report of even date attached

**A. L. Thakkar & Co.**

Chartered Accountants

FRN: 120116W

[Sanjiv V. Shah]

Partner

Membership No. 42264

Place : Ahmedabad

Date : May 29, 2014

**Renuka Upadhyay**

Company Secretary

For and on behalf of

**ASIAN GRANITO INDIA LIMITED**

[Kamleshbhai B. Patel]

Chairman & Managing Director

[Mukeshbhai J. Patel]

Managing Director

Place : Ahmedabad

Date : May 29, 2014

# Notes on Financial Statement for the year ended March 31, 2014

## NOTE : 01 SIGNIFICANT ACCOUNTING POLICIES

The Significant accounting policies to the extent applicable the companies are as under:

(i) **System of Accounting :-**

The Financial statements are prepared on historical cost basis and on the accounting principles of going concern in accordance with generally accepted accounting principles comprising of the mandatory accounting standards referred to in sub section (3c) of section 211 of the Companies Act, 1956 and guidance notes, etc. issued by The Institute of Chartered Accountants of India and the other provisions of The Companies Act, 1956.

(ii) **Revenue Recognition :-**

All known income and expenditure quantifiable till the date of finalization of accounts are accounted on accrual basis when virtual certainty is established.

Sales of products is recognised when property in the goods with all risk rewards and effective control of goods usually associated with ownership are transferred to buyer at price includes insurance, freight etc. but excludes Excise, VAT and Sales Return if any and adjusted for discounts.

The presentation of financial statements require estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.

(iii) **Fixed Asset :-**

Cost of Fixed assets comprises of its purchase price including import duties and other non refundable taxes or levies, expenditure incurred in the course of construction or acquisition and any directly attributable costs of bringing the asset to its working condition for the purpose of use for the business.

CENVAT Credit available on Capital goods has been reduced from cost of purchases of fixed assets and depreciation thereon has been calculated on the balance amount net off CENVAT credit available.

Capital Work in progress comprises of cost of capital expenditure incurred for the proposed machinery which is yet to put to use.

(iv) **Depreciation :-**

Depreciation has been provided on straight line method in accordance with the provision of section 205(2) (b) of Companies Act, 1956 at the rates prescribed in Schedule XIV of the Companies Act, 1956 on prorata basis with reference to the date of acquisition/ installation.

(v) **Investments :-**

Investments are shown at their cost plus incidental expenses if any. Investments are classified as long term & Current investments. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary.

(vi) **Valuation of Inventories :-**

- Raw Materials : At cost or net realizable value whichever is less.

- Finished Goods : At cost or net realizable value whichever is less.

- Stores & Spares : At cost or net realizable value whichever is less.

- Fuel and Packing materials : At cost or net realizable value whichever is less.

- Work-in-progress : At Cost of production

- Stock in trade : At lower of cost or estimated realizable value.

The cost of inventory is determined on FIFO cost formula method on relevant categories of inventories after providing for obsolete, slow moving and defective inventories where ever necessary.

**CENVAT Credit / VAT Credit :**

CENVAT credit / VAT credit available on stores and spares and Raw Materials reduced from cost of purchases and balance has been shown in "Loans & Advances" under Current Assets in the Balance Sheet.

The Excise duty payable on the finished goods is accounted on the clearance of goods from factory premises.

(vii) **Provisions and Contingent liabilities :-**

Contingent liabilities are disclosed after careful evaluation of facts and legal aspects of the matter involved.

Provisions and contingent liability are reviewed at each balance sheet date and events occurring after balance sheet date which are adjusted to reflect the current best estimates.

# Notes on Financial Statement for the year ended March 31, 2014

## NOTE : 01 **SIGNIFICANT ACCOUNTING POLICIES**

### (viii) Retirement and other Employee Benefits :-

#### **Provident fund :-**

Retirement benefits in the form of Provident Fund are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.

#### **Leave Benefits :-**

There is no Unutilised Leave to be encashed hence provision for Leave encashment liability does not arise as on March 31, 2014.

#### **Gratuity :-**

During the year the Company has a scheme of Retirement Benefit namely 'Group Gratuity Fund' recognised by the Income Tax authorities. This fund is administered through Trustees and the Company's contribution thereto is charged to revenue.

Contributions to Provident fund are made on accrual basis.

### (ix) Impairment of Fixed Assets :-

Factors giving rise to any indication of impairment of the carrying amounts of the Company's Assets are appraised at each Balance Sheet date to determine and provide/reverse an impairment loss. There is no impairment in the carrying amounts of Company's Assets.

### (x) Foreign currency transaction :-

Transactions in foreign Currency are recorded in rupees by applying the exchange rate at the date of the transaction and adjusted appropriately to capital or revenue, with the difference in the rate of exchange arising on actual receipt/payment during the year. Gains or Losses on settlement of the transactions are recognised under the head currency rate difference in the Profit and loss account.

Current Assets and Liabilities (monetary items) are translated at the exchange rate prevailing on the last day of the year.

The Company enters into derivative contracts strictly for hedging purposes and not for trading or speculation. Derivative transactions are being considered as off balance sheet date transactions and accordingly the gains/losses arising there from are recognised under respective heads of accounts as and when the settlement takes place with the terms of the respective contracts.

### (xi) Provision for Current and Deferred Tax :-

The tax expense comprises of Current Tax & Deferred Tax charged or credited to the profit and loss account for the year. Current Tax is calculated in accordance with the tax laws applicable to the current financial year. The deferred tax charge or credit is recognised using the tax rates applicable as on the date of balance sheet. Deferred Tax assets are recognised only if there is virtual certainty of realization of such assets. At balance sheet date, recognised and unrecognised Deferred Tax assets are reviewed.

### (xii) Borrowing Cost :-

Borrowing cost directly attributable and/or funds borrowed generally and used for the purpose of acquisition/construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised, at its capitalization rate to expenditure on that assets, for the period, until all activities necessary to prepare qualifying assets for its intended use are complete.

### (xiii) Deferred Revenue Expenditure :-

Deferred Revenue Expenses includes Expenditure towards Advertisement, Brand Promotion & Exhibition of new products and mega event show charges are amortised over a period of Five years.

### (xiv) Branch Accounting :-

Stock transfer at various branches, are done at a rate inclusive of Excise, education cess and freight charges. When the Sales from branches effected, above transfer value is nullified. Sales values of branches are accounted inclusive of VAT / CST charged by respective branches.

Further system of accounting of all branch expenses and C & F expenses are centralised and booked on the basis of vouchers and supporting sent by C & F and branches

### (xv) Leases :-

#### **Where the Company is the lessee**

Leases, wherein the lesser effectively retains substantially all the risks and benefits of ownership of the leases item, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term as per Lease Agreement.

### (xvi) Central Excise Duty :-

Excise duty is accounted on the basis of payments made in respect of goods cleared.

# Notes on Financial Statement for the year ended March 31, 2014

## NOTE : 02 SHARE CAPITAL

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2014	March 31, 2013
<b>EQUITY SHARE CAPITAL</b>		
<b>Authorised</b>		
3,12,50,000 (P.Y. 3,12,50,000) Equity Shares of ₹10/- each	3,125.00	3,125.00
<b>EQUITY SHARE CAPITAL</b>		
<b>Issued,Subscribed and Paid up.:</b>		
2,25,82,541 Equity Shares of ₹10/- each fully paid up	2,258.25	2,216.13
(Previous Year 2,21,61,291 Equity Shares of ₹10/- each fully paid up)		
<b>TOTAL OF SHARE CAPITAL</b>	<b>2,258.25</b>	<b>2,216.13</b>

(2.2) The details of Equity shareholders holding more than 5% shares :

Name of the shareholder	As at March 31, 2014	
	No. of Shares	% Held
Mukeshbhai Jivabhai Patel	1,715,619	7.60%
Kamleshbhai Bhagubhai Patel	2,438,768	10.80%

Name of the shareholder	As at March 31, 2013	
	No. of Shares	% Held
Mukeshbhai Jivabhai Patel	2,449,010	11.05%
Kamleshbhai Bhagubhai Patel	2,438,768	11.00%

(2.3) The reconciliation of the number of shares outstanding is set out below :

Particulars	As at	As at
	March 31, 2014	March 31, 2013
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	22,161,291	21,061,291
Add : Preferential Equity Shares issued during the year	421,250	1,100,000
Less : Shares bought back during the year	0	0
Equity Shares at the end of the year	22,582,541	22,161,291

# Notes on Financial Statement for the year ended March 31, 2014

## NOTE : 03 RESERVES & SURPLUS

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>a) Securities Premium Reserve</b>		
As per Last Balance Sheet	7,144.50	6,704.50
Add : on issue of shares	168.50	440.00
Closing Balance	<b>7,313.00</b>	<b>7,144.50</b>
<b>b) General Reserve</b>	890.00	890.00
<b>c) Profit and Loss Account</b>		
As per last balance sheet	15,956.34	14,257.81
Add : Transfer from Profit & Loss Account	1,414.20	1,710.86
Add : Forfeited Convertible Warrants	202.66	–
Less : Dividend on Equity Shares	–	10.60
Less : Tax On Dividend	–	1.73
	<b>17,573.20</b>	<b>15,956.34</b>
Less : Appropriations		
Proposed Dividend on Equity Shares	–	–
[Dividend Per Share Nil (Previous year Nil)]		
Tax on Proposed Dividend	–	–
	<b>17,573.20</b>	<b>15,956.34</b>
<b>TOTAL OF RESERVES &amp; SURPLUS</b>	<b>25,776.20</b>	<b>23,990.84</b>

## NOTE : 04 MONEY RECEIVED AGAINST SHARE WARRANTS

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
MONEY RECEIVED AGAINST SHARE WARRANTS	–	255.31
<b>TOTAL OF MONEY RECEIVED AGAINST SHARE WARRANTS</b>	<b>–</b>	<b>255.31</b>

## NOTE : 05 LONG TERM BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>SECURED LOANS</b>		
<b>Borrowings from Banks :</b>		
Term Loan - Rupee	577.40	1,240.22
Term Loan - Foreign Currency	62.74	131.36
Term Loan - Buyers Credit	1,238.99	1,911.11
Vehicle Loans	102.73	90.35
<b>TOTAL OF LONG TERM BORROWING</b>	<b>1,981.86</b>	<b>3,373.04</b>

5.1 Term Loan ₹1816.39 lacs are secured by way of First Pari Passu charge over the movable & immovable properties of the Company situated at Block No.160, 147A paiki, 162 at village Dalpur, Taluka-Prantij, Dist: Sabarkantha, Gujarat, over the movable assets including Plant & Machineries situated at Survey No.16 (paiki) Village: Jawanpura, Tal: Idar, Dist: Sabarkantha, Gujarat and over the One Wind Mill No.V-20 at survey No.204/1, Paiki, Village Vanku, Tal: Abdasa, Dist: Kutch, Gujarat AND Second Pari passu charge over entire current assets situated at Block No.160, 147A paiki, 162 at village Dalpur, Taluka-Prantij, Dist: Sabarkantha, Gujarat and over entire current assets situated at Survey No.16 (paiki) Village: Jawanpura, Tal: Idar, Dist: Sabarkantha, Gujarat.

5.2 Term Loan ₹62.74 lacs are secured by way of First Charge on all current assets and fixed assets including movable assets of the Agro Tech Division of the Company situated at Block No.533 at Village Dalpur, Taluka: Prantij, Dist: Sabarkantha, Gujarat.

5.3 Vehicle loans are secured by hypothecation of vehicles in favour of Bank.



# Notes on Financial Statement for the year ended March 31, 2014

## NOTE : 06 DEFERRED TAX LIABILITY (Net)

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>DEFERRED TAX LIABILITIES : Related to</b>		
Depreciation	1,310.08	1,314.90
Disallowance under the Income Tax Act, 1961	350.18	231.83
	<b>1,660.26</b>	<b>1,546.73</b>
<b>LESS : DEFERRED TAX ASSETS : Related to</b>		
Disallowance under the Income Tax Act, 1961	(0.05)	(0.05)
	<b>(0.05)</b>	<b>(0.05)</b>
<b>TOTAL OF DEFERRED TAX LIABILITY (Net)</b>	<b>1,660.31</b>	<b>1,546.78</b>

(6.1) The Net Increase during the year in the deferred tax liability ₹113.54 Lacs (P.Y. ₹42.54 Lacs Decrease) has been credited to the Statement of Profit & Loss Account.

## NOTE : 07 OTHER LONG TERM LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Trade Security Deposits	597.17	582.32
Others	181.82	46.95
<b>TOTAL OF OTHER LONG TERM LIABILITIES</b>	<b>778.99</b>	<b>629.27</b>

## NOTE : 08 SHORT TERM BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>SECURED LOANS</b>		
<b>CASH CREDIT LOAN</b>		
<b>FROM BANK</b>		
Rupees Loan	19,329.98	16,209.40
Foreign Currency Loan - FCNR	–	1,406.07
Foreign Currency Loan - Buyers Credit	169.50	1,704.05
<b>TOTAL OF SECURED</b>	<b>19,499.48</b>	<b>19,319.52</b>
<b>UNSECURED LOANS</b>		
<b>FROM BANK</b>		
Bill Discounting	3,324.36	999.36
<b>TOTAL OF UNSECURED</b>	<b>3,324.36</b>	<b>999.36</b>
<b>TOTAL OF SHORT TERM BORROWING</b>	<b>22,823.84</b>	<b>20,318.88</b>

8.1 Working capital loans are secured by hypothecation of present and future stock of Raw Materials, Stock in Process, Semi-finished goods, stores and spares and Book debts, receivables And second Pari Passu charge over entire movable assets and Immovable Properties of the Company situated at Block No.160, 147A paiki, 162 at village Dalpur, Taluka-Prantij, Dist: Sabarkantha, Gujarat (Vitrified/Wall /Marble Division) And Survey No.16 (paiki), Village: Jawanpura, Taluka: Idar, Dist: Sabarkantha, Gujarat (Ceramic Division).

8.2 Bill Discounting Limit is guaranteed by Directors of the Company.

# Notes on Financial Statement for the year ended March 31, 2014

## NOTE : 09 TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Micro, Small and Medium Enterprises	2,160.94	1,021.09
Others	8,213.91	8,128.77
<b>TOTAL OF TRADE PAYABLES</b>	<b>10,374.85</b>	<b>9,149.86</b>

### 9.1 The details of amount outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Principal amount due and remaining unpaid	2,160.94	1,021.09
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

## NOTE : 10 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Current maturities of long term debt	1,326.50	1,491.76
Interest accrued but not due on borrowings	6.33	18.72
Unpaid Dividends **	0.54	0.55
Statutory Dues Payable	187.84	190.25
Provision for Expenses	57.32	388.20
Advance from Customer	493.12	443.72
Capital Creditors	209.92	352.02
Other Payables	161.18	69.74
<b>TOTAL OF OTHER CURRENT LIABILITIES</b>	<b>2,442.75</b>	<b>2,954.96</b>

\*\* Unpaid dividends do not include any amounts, due and outstanding, to be credited to investor Education and protection fund.

## NOTE : 11 SHORT TERM PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Provisions for Employee Benefit	417.03	405.48
Proposed Dividend	-	-
Tax on Dividend	-	-
<b>TOTAL OF SHORT TERM PROVISIONS</b>	<b>417.03</b>	<b>405.48</b>

# Notes on Financial Statement for the year ended March 31, 2014

## NOTE : 12 FIXED ASSETS

(₹ in Lacs)

Description	Gross Block				Depreciation / Amortization				Net Block	
	As at 01-04-2013	Addition	Deduction / Adjustment	As at 31-03-2014	As at 01-04-2013	For the Year	Deduction / Adjustment	Upto 31-03-2014	As at 31-03-2014	As at 31-03-2013
<b>TANGIBLE ASSETS :</b>										
Land & Land Development	468.64	16.26	-	484.90	-	-	-	-	484.90	468.64
Power Plant-Windmill Land	10.00	-	-	10.00	-	-	-	-	10.00	10.00
Building - Factory	6640.32	3.64	-	6643.96	1080.33	221.87	-	1302.20	5,341.76	5,559.99
Office & Other Building	837.87	-	-	837.87	68.73	13.66	-	82.39	755.48	769.14
Plant & Machinery & Elec.	18045.08	2354.01	8.38	20390.71	8892.02	1727.92	1.21	10618.73	9,771.98	9,153.06
Power Plant - Wind Mill	601.85	-	-	601.85	300.95	62.23	0.00	363.18	238.67	300.90
Furniture & Fixture	614.87	49.97	-	664.84	144.15	39.93	-	184.08	480.76	470.72
Vehicle	519.60	31.30	-	550.90	165.12	50.71	-	215.83	335.07	354.48
Office Equipment	216.80	18.90	-	235.70	52.39	10.72	-	63.11	172.59	164.41
Computers	244.79	66.25	1.02	310.02	136.51	34.29	0.10	170.70	139.32	108.28
<b>TOTAL (A)</b>	<b>28199.82</b>	<b>2540.33</b>	<b>9.40</b>	<b>30730.75</b>	<b>10840.20</b>	<b>2161.33</b>	<b>1.31</b>	<b>13000.22</b>	<b>17730.53</b>	<b>17359.62</b>
<b>INTANGIBLE ASSETS :</b>										
Trade Mark	55.00	-	-	55.00	52.25	-	-	52.25	2.75	2.75
<b>TOTAL (B)</b>	<b>55.00</b>	<b>-</b>	<b>-</b>	<b>55.00</b>	<b>52.25</b>	<b>-</b>	<b>-</b>	<b>52.25</b>	<b>2.75</b>	<b>2.75</b>
<b>TOTAL (A + B)</b>	<b>28254.82</b>	<b>2540.33</b>	<b>9.40</b>	<b>30785.75</b>	<b>10892.45</b>	<b>2161.33</b>	<b>1.31</b>	<b>13052.47</b>	<b>17733.28</b>	<b>17362.37</b>
Previous Year	27268.07	1031.81	45.06	28254.82	8774.17	2163.18	44.90	10892.45	17,362.37	18,493.90
Capital Work-in-progress	275.02	677.62	236.80	715.84	-	-	-	-	715.84	275.02

## NOTE : 13 NON-CURRENT INVESTMENT

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Long Term Investments other than trade (At Cost)</b>		
<b>In Equity Shares of Associate Company - Un Quoted, fully paid up</b>		
AGL Panaria Private Limited	409.65	245.00
40,96,500 Equity Shares of ₹10/- each [Previous Year 24,50,000 Equity Shares of ₹10/- each]		
Astron paper & Board Mill Ltd.	1,185.00	1,185.00
118,50,000 Equity Shares of ₹10/- each		
Amazon Ceramics Limited	365.19	365.19
91,29,720 Equity Shares of ₹4/- each		
AGL Industries Limited	9.00	-
90,000 Equity Shares of ₹10/- each		
<b>In Partnership Firms</b>	<b>9.80</b>	<b>9.80</b>
<b>TOTAL OF NON CURRENT INVESTMENT</b>	<b>1,978.64</b>	<b>1,804.99</b>

## NOTE : 14 LONG TERM LOANS & ADVANCES

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
(Unsecured Considered good)		
Advance Income Tax (Net of Provision)	264.50	289.92
Others	4,680.90	4,300.06
<b>TOTAL OF LONG TERM LOANS &amp; ADVANCES</b>	<b>4,945.40</b>	<b>4,589.98</b>

# Notes on Financial Statement for the year ended March 31, 2014

## NOTE : 15 OTHER NON CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Deferred Expense	212.76	–
<b>TOTAL OF OTHER NON CURRENT ASSETS</b>	<b>212.76</b>	<b>–</b>

## NOTE : 16 INVENTORIES

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Material</b>		
Raw Material	5,090.74	2,987.20
Packing Material	323.74	167.51
Semi Finished		
(a) Inventories	72.11	248.70
(b) Goods-in-Transit	–	–
<b>Work-in-progress</b>	1,969.87	1,670.60
<b>Finished Goods</b>		
(a) Inventories	10,202.89	10,619.07
(b) Goods-in-Transit	6.26	1.67
<b>Stock-in-Trade</b>		
(a) Inventories	712.62	1,413.55
(b) Goods-in-Transit	–	–
<b>Stock of Stores &amp; Spares</b>	1,932.92	1,822.14
<b>Others</b>		
(a) Stock of Fuel	185.51	108.55
<b>TOTAL OF INVENTORIES</b>	<b>20,496.66</b>	<b>19,038.99</b>

Inventory items have been valued considering the Significant Accounting Policy No. VI disclosed in Note no. 1 to these financial statements.

## NOTE : 17 TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
(Unsecured and Considered Good)		
Over six months	2,163.32	2,068.32
Others	16,435.14	14,919.86
<b>TOTAL OF TRADE RECEIVABLES</b>	<b>18,598.46</b>	<b>16,988.18</b>

## NOTE : 18 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Balance with Banks **	1,238.42	1,783.01
Cash on hand	30.83	76.58
Fixed deposits with banks		
(a) Less Than 12 Months Maturity	542.58	1,046.46
(b) More Than 12 Months Maturity	–	–
<b>TOTAL OF CASH &amp; CASH EQUIVALENTS</b>	<b>1,811.83</b>	<b>2,906.05</b>

\*\* Balance with Banks includes Unpaid Dividend of ₹94,791/- (Previous Year ₹95,391/-)

# Notes on Financial Statement for the year ended March 31, 2014

## NOTE : 19 SHORT TERM LOANS & ADVANCES

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured Considered Goods		
Balance with Customs, Central Excise Authorities	970.87	947.33
Deposit with Others	149.47	167.02
Advance to Gratuity Trust	27.46	-
Prepaid Expense	60.48	57.75
Advance to Others *	658.79	686.20
<b>TOTAL OF SHORT TERM LOANS &amp; ADVANCES</b>	<b>1,867.07</b>	<b>1,858.30</b>

\* Advance to others includes advance to creditors

## NOTE : 20 OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Miscellaneous Expenditure	154.14	16.67
<b>TOTAL OF OTHER CURRENT ASSETS</b>	<b>154.14</b>	<b>16.67</b>

## NOTE : 21 REVENUE FROM OPERATIONS (NET)

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Sale of Products (Gross)	84,163.19	79,642.49
Less: Excise Duty/ VAT & CST Recovered	8,417.35	9,030.45
	<b>75,745.84</b>	<b>70,612.04</b>
Other Operating revenues	168.13	223.61
<b>TOTAL OF REVENUE FROM OPERATIONS (NET)</b>	<b>75,913.97</b>	<b>70,835.65</b>
<b>PARTICULARS OF SALE OF PRODUCTS</b>		
Tiles Products	63,463.94	60,969.21
Marble & Quartz	11,133.72	8,403.34
Agro Products	692.86	362.51
Chemical Products	352.21	722.39
Others	103.11	154.59
	<b>75,745.84</b>	<b>70,612.04</b>
<b>OTHER OPERATING REVENUES</b>		
Wind Mill Power Generation Income	85.37	95.32
Job Work Income	13.64	41.48
Duty Draw Back income	69.12	86.81
	<b>168.13</b>	<b>223.61</b>

# Notes on Financial Statement for the year ended March 31, 2014

## NOTE : 22 OTHER INCOME

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>Interest Income</b>		
From Others	84.71	180.27
Dividend Income	–	–
<b>Net Gain/Loss on sales of investments</b>		
From Current Investments	–	–
Other non-operating income	45.67	63.56
<b>TOTAL OF OTHER INCOME</b>	<b>130.38</b>	<b>243.83</b>

## NOTE : 23 COST OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>Raw Material Consumed</b>		
Body Material	9,958.19	12,253.41
Glaze, Frits and Chemicals & Others	4,322.27	4,683.62
Packing Materials	1,102.93	1,839.71
	<b>15,383.39</b>	<b>18,776.74</b>
<b>Semi Finished Material Consumed</b>		
Marble	3,232.37	736.55
Tiles	–	–
	<b>3232.37</b>	<b>736.55</b>
<b>TOTAL OF COST OF MATERIAL CONSUMED</b>	<b>18,615.76</b>	<b>19,513.29</b>

## NOTE : 24 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>FINISHED GOODS</b>		
(a) Closing Stock on hand	10,209.15	10,620.74
(b) Opening Stock	10,620.74	8,106.65
	<b>(411.59)</b>	<b>2,514.09</b>
<b>WORK IN PROCESS</b>		
(a) Closing Stock on hand	1,969.87	1,670.60
(b) Opening Stock	1,670.60	1,375.68
	<b>299.27</b>	<b>294.92</b>
<b>STOCK-IN-TRADE</b>		
(a) Closing Stock on hand	712.62	1,413.55
(b) Opening Stock	1,413.55	1,616.53
	<b>(700.93)</b>	<b>(202.98)</b>
<b>TOTAL OF CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE</b>	<b>813.25</b>	<b>(2,606.03)</b>

# Notes on Financial Statement for the year ended March 31, 2014

## NOTE : 25 EMPLOYEE BENEFIT EXPENSE

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Salaries and Wages	3,512.77	3,326.46
Contribution to Provident and Other Funds	169.54	240.90
Staff Welfare Expenses	64.80	66.70
<b>TOTAL OF EMPLOYEE BENEFIT EXPENSE</b>	<b>3,747.11</b>	<b>3,634.06</b>

## NOTE : 26 FINANCE COSTS

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Interest Expenses	2,000.66	2,170.79
Other borrowing costs		
- Processing Fees	32.22	66.02
- Other Ancillary Cost	66.40	127.99
Applicable loss on foreign currency transactions and translation	0.47	156.20
<b>TOTAL OF FINANCE COSTS</b>	<b>2,099.75</b>	<b>2,521.00</b>

## NOTE : 27 DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Depreciation Expense	2,160.02	2,163.18
Amortization Expense	-	5.72
<b>TOTAL OF DEPRECIATION AND AMORTIZATION EXPENSE</b>	<b>2,160.02</b>	<b>2,168.90</b>

## NOTE : 28 POWER & FUELS

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Fuel & Gas Consumed	9,077.64	9,242.90
Electricity Power Consumed	2,554.67	3,083.15
<b>TOTAL OF POWER &amp; FUELS</b>	<b>11,632.31</b>	<b>12,326.05</b>

# Notes on Financial Statement for the year ended March 31, 2014

## NOTE : 29 OTHER EXPENSES

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>MANUFACTURING EXPENSE</b>		
Stores Materials Consumed	1,322.06	2,468.89
Loading Unloading & Other factory overheads	496.43	788.30
Repairs to Buildings	7.40	29.26
Repairs to Machinery	86.25	103.64
	<b>1,912.14</b>	<b>3,390.09</b>
<b>SALES &amp; DISTRIBUTION EXPENSE</b>		
Advertisement Expense	568.53	689.97
Excise Duty	177.43	412.99
Other Selling & Distribution Expense	2,598.18	3,291.49
	<b>3,344.14</b>	<b>4,394.45</b>
<b>OFFICE &amp; ADMINISTRATIVE EXPENSE</b>		
Insurance	102.27	126.59
Rent, Rates & Taxes	380.20	455.23
Auditor's Remuneration	5.00	5.00
Director's Travelling	9.57	12.76
Travelling & Conveyance	688.97	645.29
Charity & Donations	11.42	9.77
Legal & Professional Fees	97.94	318.00
Loss on Sale of Assets	0.24	0.16
Misc. & General Expenses	126.64	115.69
Postage & Courier & Commission	134.26	148.14
Printing & Stationery	57.87	65.86
Repairs & Maintenance - Others	64.45	101.18
Vehicle Repairs & Maintenance	64.50	55.84
Sundry Balance Written off	(48.73)	24.07
Foreign Exchange Loss	251.12	181.34
	<b>1,945.72</b>	<b>2,264.92</b>
<b>TOTAL OF OTHER EXPENSES</b>	<b>7,202.00</b>	<b>10,049.46</b>



# Notes on Financial Statement for the year ended March 31, 2014

## OTHER NOTES ON ACCOUNT

30. During the year, Expenditure incurred of ₹3,66,90,351 (P.Y. ₹ Nil) towards Advertisement, Brand Promotion & Exhibition Expenses of new products are deferred as the benefit out of it is expected to occur in future year also.
31. The quantity of inventories is based upon physical verification by the management and the valuation is also based on details of cost and realizable value (wherever applicable) considering the quality & other relevant factors ascertained by management. The quantities of inventories, Sales, and purchases are taken on the basis of details worked out from the bills and the stock records maintained by the Company (wherever applicable).
32. **In the opinion of the Board of Directors,**
- (1) Current Assets, Loans & Advances are realizable in the ordinary course of business, at the value at which they are stated.
  - (2) The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.
33. In sample sale, Only Excise, EDU and HEDU payable on sample sale value is charged as expenses considering no commercial value of samples.
34. Balance of Sundry creditors, debtors, debit/credit balance of loans and advances are subject to confirmation from the respective parties.
35. Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with the current year figures.

36. **Dues to Small, Micro & Medium Enterprises :-** (₹ in Lacs)

Particulars	2013-14	2012-13
1. Principal amount outstanding	2,160.94	1,021.09
2. Interest due on (1) above and the unpaid interest	-	-
3. Interest paid on all delayed payments under MSMED Act	-	-
4. Payment made beyond the appointed date during the Year	-	-
5. Interest due and payable for the period of delay other than (3) above	-	-
6. Interest accrued and remaining unpaid	-	-
7. Amount of further interest remaining due and payable in succeeding years	-	-

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 are as per available information with the Company.

37. We have verified the vouchers and documentary evidences wherever made available. Where no documentary evidences were available we relied on the authentication given by the management.

38. **The expenditure incurred in foreign exchange :-** (₹ in Lacs)

Particulars	2013-14	2012-13
Foreign Travelling	8.52	20.94
Foreign Exhibition	23.84	1.24
Foreign Sales Commission	24.05	42.82

39. **Particulars of sales & stocks :-** (₹ in Lacs)

Particulars	Tiles	Marble	Others	Total
Opening Stock	9750.96	2132.96	150.37	12034.29
	(8,843.15)	(850.98)	(29.06)	(9,723.19)
Purchase	26648.68	120.79	755.00	27524.47
	(20,116.79)	-	(817.64)	(20,934.43)
Closing Stock	9115.41	1801.65	4.71	10921.63
	(9,750.96)	(2,132.96)	(150.37)	(12,034.29)
Sales	63463.94	11133.72	1148.18	75745.84
	(60,969.21)	(8,403.34)	(1,239.49)	(70,612.04)

**Note :** Figures in bracket shows previous year figures.

# Notes on Financial Statement for the year ended March 31, 2014

## OTHER NOTES ON ACCOUNT

40. Value of Export calculated at F.O.B. valued :- ₹2428.35 Lacs /- (P.Y. ₹2337.47 Lacs)

41. CIF Value of Import :- ₹5331.10 Lacs /-

(₹ in Lacs)

Particulars	2013-14	2012-13
Capital Goods	15.44	529.23
Store & Spares	584.87	717.65
Raw Materials	893.56	1080.58
Finish Goods	1278.70	2487.54
Semi Finish Marble	2556.24	-
Other Design Materials	2.29	29.16
<b>Total</b>	<b>5331.10</b>	<b>4844.16</b>

42. Details of Auditors Remuneration :-

(₹ in Lacs)

Particulars	2013-14	2012-13
Statutory Audit	4.50	4.50
Tax Audit	0.50	0.50
Others	-	-
<b>Total</b>	<b>5.00</b>	<b>5.00</b>

43. Disclosure required by the AS15 (Revised) :- Employee

A. Components of Employer Expense

(₹ in Lacs)

Particulars	2013-14	2012-13
1. Current service Cost (Including risk premiums for fully insured schemes)	34.78	36.04
2. Interest Cost	11.28	6.01
3. Expected Return on Assets	(10.92)	(9.15)
4. Curtailment Cost/(Credit)	-	-
5. Settlement Cost/(Credit)	-	-
6. Past Service Cost	-	-
7. Actuarial (gain)/and Losses	(47.40)	24.71
8. Total Employer Expense recognised in the P & L	(12.27)	57.61

(₹ in Lacs)

(I) Net Asset/(Liability) Recognised in Balance Sheet March 31, 2014	2013-14	2012-13
1. Present value of Defined Benefit Obligation as at March 31, 2014	148.61	137.51
2. Fair Value of Plan Assets as at March 31, 2014	(121.15)	121.37
3. Funded status [Surplus/(Deficit)]	27.46	(16.14)
4. Unrecognised Past Service Costs	-	-
5. Net Assets/(liability) recognised in Balance Sheet	27.46	(16.14)

# Notes on Financial Statement for the year ended March 31, 2014

## OTHER NOTES ON ACCOUNT

### 43. Disclosure required by the AS15 (Revised) :- Employee (contd...) (₹ in Lacs)

(II) Change in Obligation & Assets over the period ending on March 31, 2014	2013-14	2012-13
1 Present value of Defined Benefit Obligation At Beginning (Opening)	137.51	78.37
2 Employer Service Cost	-	36.04
3 Interest Cost	11.28	6.01
4 Curtailment cost/(Credit)	34.78	-
5 Settlement cost/(Credit)	-	-
6 Plan Amendments	-	-
7 Acquisitions	-	-
8 Actuarial (Gain)/Loss	(47.81)	23.40
9 Benefits Payments	(14.61)	(6.31)
10 Present value of Defined Benefit Obligation At Beginning (Closing)	121.14	137.51

### B. Change in Assets (₹ in Lacs)

Particulars	2013-14	2012-13
1 Fair Value of Plan assets at the Beginning of the period	121.37	89.72
2 Expected Return on Plan Assets (Para 108/109)	10.92	9.15
3 Actuarial Gain / (Loss)	(0.41)	(1.31)
4 Assets Distributed on Settlements	-	-
5 Actual Company contributions less Risk Premium	31.33	30.12
6 Benefits payments	(14.61)	(6.31)
7 Fair Value of the assets at the end of the period	148.60	121.37

### [A] Net Asset/(Liability) Recognised in Balance Sheet March 31, 2014 (₹ in Lacs)

[A] Net Asset/(Liability) Recognised in Balance Sheet March 31, 2014	2013-14	2012-13
1 Net assets/(Liability) Recognised in the Balance Sheet at the beginning of the period March 31, 2013	(16.14)	11.35
2 Employer Expense	12.27	(57.61)
3 Employer Contributions	31.33	30.12
4 Acquisitions/business combinations	-	-
5 Net Assets/(liability) recognised in Balance Sheet as on March 31, 2014	27.46	(16.14)

### Assumption (₹ in Lacs)

Assumption	31st March, 2014	31st March, 2014
Discount rate (P78 of AS15R)	9.31%	8.20%
Expected return on assets (P107-109 AS15R)	9.31%	9.00%
Salary Increases (Para 83-91 and 120(I) AS15R)	4.00%	5.00%
Withdrawal rates	2.00%	3.00%
LIC (1994-96) Published table of Mortality Rates.	Indian Assured Lives Mortality (1994-96) (Modified) Ultimate	

# Notes on Financial Statement for the year ended March 31, 2014

## OTHER NOTES ON ACCOUNT

### 44. Accounting for taxes of Income :- (AS-22)

(a) Deferred tax liabilities comprises of timing differences on account of:

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Depreciation	1,310.09	1,314.90
Deferred Expenses	374.35	247.26
Interest Accrued but not due	(1.71)	(5.63)
Leave Encashment & Bonus	(22.46)	(9.80)
Others	–	–
<b>Total</b>	<b>1,660.27</b>	<b>1,546.73</b>

(b) The Provision for current taxes has been made in the account as per the provisions of Income Tax Act, 1961.

### 45. Earning Per Share :- (AS-20)

- The amount used as numerator in calculating basic and diluted earning per share is the profit after depreciation and taxes i.e. ₹1414.20/- Lac
- The number of ordinary shares used as the denominator in calculating the basic earning per share is 2,23,19,260 i.e. weighted number of equity shares as on the date of balance sheet March 31, 2014. Diluted earning per share is arrived by taking weighted number of equity shares outstanding as on the date of balance sheet i.e. 2,23,19,260

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Profit attributable to the Equity Shareholders (₹) (A)	1414.20	1710.86
Weighted average No. of Equity Shares Outstanding during the year (B)	223.19	221.15
Nominal value of Equity Shares ₹	10	10
Basic / Diluted Earnings per Share (₹) (A) (B)	6.34	7.74

### 46. Borrowing Cost :- (AS-16)

Based on the guiding principle given in Accounting standard on "Borrowing Cost" (AS-16) issued by the ICAI, the Company has capitalised ₹ Nil/-, (P.Y. ₹ Nil/-) during the year to the Fixed Assets.

### 47. Segment Reporting :- (AS-17)

Based on the guiding principle given in Accounting standard on "Segment Reporting" (AS-17) issued by the ICAI, the Company's primary business is manufacturing of Tiles, the tiles business of the Company incorporate product groups i.e. Ceramic Tiles which mainly have similar risk and returns, accordingly there are no separately segment,

The operation of the Company is in India and all Assets and Liabilities are located in India. And analysis of the Sales by Geographical market is given below.

(₹ in Lacs)

Sr. No.	Particulars	2013-14	2012-13
1.	India	73343.49	68166.33
2.	Out side India	2402.35	2445.71

### 48. Related Party Disclosures under :- (AS-18)

During the year the Company entered into transaction with the related parties. Those transactions along with related balances as at March 31, 2014 and for the year then ended are presented in the following.

List of related parties with whom transaction have taken place during the year along with nature and volume of transactions.

#### • Associates and Subsidiaries

##### Subsidiaries

AGL Industries Limited	–
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# Notes on Financial Statement for the year ended March 31, 2014

## OTHER NOTES ON ACCOUNT

### 48. Related Party Disclosures under : (contd...)

#### Associates :-

Amazon Ceramics Limited	AGL Infrabuild Pvt Limited
Affil Vitrified Pvt Limited	Asian Institute of Technology
AGL Panaria Pvt Limited	AGL Marketing LLP

#### Key Management Personnel :-

Kamleshbhai Bhagubhai Patel	Kanubhai Bhikhabhai Patel
Mukeshbhai Jivabhai Patel	Bhavesbhai Vinodbhai Patel
Sureshbhai Jivabhai Patel	Bhogibhai Bhikhabhai Patel

#### Relatives of Key Management Personnel:-

Heenaben Kamleshbhai Patel	Hiren Sureshbhai Patel
Bhagubhai Punjabhai Patel	Sureshbhai Bhikhabhai Patel
Hiraben Bhagubhai Patel	Asmitaben Bhavesbhai Patel
Shaunak Mukeshbhai Patel	Vipulbhai Vinodbhai Patel
Bhanuben Mukeshbhai Patel	Vinodbhai Lalabhai Patel
Dhuliben Jivabhai Patel	Rameshbhai Bhikhabhai Patel
Chhayaben Sureshbhai Patel	-

(₹ in Lacs)

Sr No	Particulars	Associates and Subsidiaries	Relatives of Key Management Personnel	Key Management Personnel
<b>(A)</b>	<b>Transaction during the year</b>			
1	Purchase	4,735.80	-	-
2	Sale	461.70	-	-
3	Loan Given	229.70	0.69	0.89
4	Loan Recover	154.35	-	-
5	Loan Taken	27.65	-	-
6	Loan Re Paid	27.65	-	-
7	Director Remuneration	-	-	107.78
8	Salary	-	76.95	-
9	Director Sitting Fee	-	1.22	-
10	Rent Income Received	-	9.79	4.28
11	Rent Expense Paid	-	0.06	0.24
12	Share Application Money	300.00	-	-
13	Advance Received	52.72	-	-
14	Interest Received	132.13	-	-
15	Know How Fee & Profe. Fees	17.32	-	-
<b>(B)</b>	<b>Balance as at March 31, 2014</b>			
1	Loan & Advances	2,112.39	-	-
2	Trade Payable	767.43	-	-
3	Trade Receivable	339.14	-	-

# Notes on Financial Statement for the year ended March 31, 2014

## OTHER NOTES ON ACCOUNT

### 49. Contingent Liabilities :- (AS-29)

In view of the Accounting Standard issued by ICAI "Provisions and Contingent Liabilities" (AS-29), following contingent liabilities have been identified which have not been provided for in the books of accounts.

		(₹ in Lacs)
Sr No	Particulars	Amount
1	Bank Guarantee	1994.29
2	Custom Duty which may arise if obligation for exports is not fulfilled against import of capital goods under EPCG.	970.85
3	Claims against the Company / Disputed Liabilities not acknowledged as Debts	
	i) Sales Tax demands against which Company has preferred appeal.	210.88
	ii) Excise Duty claim by DGCEI-Ahmedabad	2043.18
	iii) Income tax	3010.62
	iv) Consumer / Legal Cases	40.62
	v) Letters of Credit opened with Bank	1493.44

The Company has filed appeal before The Joint Commissioner of Commercial Tax – Appeals for demand of Sales Tax of ₹45,07,857 and ₹19,62,743 for the financial year 2003-04 & 2004-05 respectively. The Dispute is regarding set off against the purchase of fuel not allowed by the Sales tax Department. However, Gujarat High Court has given the decision in favour of M/s Ami Pigment Ltd and hence the Company has filed appeal on the basis of this decision

The Company has filed first appeal before The Deputy Commissioner of Commercial Tax–Appeals-III, Gandhinagar against demand of CST (Net) for ₹2,68,730 for the financial year 2006-07 for pending "C" forms

The Company has also filed an appeal before The Deputy Commissioner of Commercial Tax–Appeals-III, Gandhinagar against demand of VAT for ₹49,27,910 raised in provisional assessment made by The Asst. Commissioner of Commercial Tax Enforcement Division, wing-III, Gandhinagar for the financial year 2007-08 on account of issue of in put VAT credit reduction method on OGS Branch Transfer and Sample Sales.

The Company has also filed first appeal before The Joint Commissioner of Commercial Tax – Appeals against demand of CST (Net) for ₹55,83,126 for the financial year 2008-09 for pending "C" forms.

The Company has also filed first appeal before The Joint Commissioner of Commercial Tax–Appeals-I, Ahmedabad against demand of CST for ₹11,83,893 raised in regular assessment made by The Deputy Commissioner of Commercial Tax, Corporate Cell-1, Gandhinagar for the financial year 2009-10 for pending "C" forms

The Company has also filed an appeal before The Deputy Commissioner of Commercial Tax–Appeals-III, Gandhinagar against demand of VAT / CST for ₹26,53,636 raised in provisional assessment made by The Asst. Commissioner of Commercial Tax Enforcement Division, wing-III, Gandhinagar for the period from Apr-11 to Jul-11 (financial year 2011-12) on account of issue of in put VAT credit reduction method on OGS Branch Transfer and Sample Sales and OGS Sales.

Disputed Income Tax Liability of ₹2746.20 lacs for various Asst. Years for which department has preferred appeals at higher levels. Out of these, Liabilities to the extent of ₹192.74 lacs have remained pending after CIT (Appeals) order effect. The Company has already paid ₹192.74 lacs towards remaining disputed liabilities and there is no disputed amount remains unpaid. Company has preferred an appeal before Tribunal Ahmedabad.

Disputed Income tax Liability of ₹336.68 lacs for A.Y. 2006-07 Re-Assessment for which the Company has preferred an appeal before the CIT (Appeal) Ahmedabad.

Disputed Income tax Liability of ₹92.82 lacs of A.Y. 2010-11 for which the Company has preferred an appeal before the CIT (Appeal) Ahmedabad.

Disputed Income tax Liability of ₹27.66 lacs of A.Y. 2011-12 for which the Company has preferred an appeal before the CIT (Appeal) Ahmedabad.

# Notes on Financial Statement for the year ended March 31, 2014

## OTHER NOTES ON ACCOUNT

### 50. Derivative Instruments :-

The outstanding position of derivatives instruments as on March 31, 2014 NIL

The details of foreign currency exposures those are not hedged by a derivate instrument i.e. forward contract are as under:

(₹ in Lacs)

Nature	As at March 31, 2014		As at March 31, 2013	
	Amount	Foreign Currency	Amount	Foreign Currency
	(₹ in Lacs)	(in Lacs)	(₹ in Lacs)	(in Lacs)
Buyer's Credit	1408.49	EURO 904.99 USD 503.49	3615.16	EURO 16.58 USD 45.38
Foreign Currency Loan	132.74	USD 2.21	1607.42	USD 29.61

The forex exposure is 100% naturally hedge against our Export Receivable.

In terms of our report of even date attached

**A. L. Thakkar & Co.**

*Chartered Accountants*

FRN: 120116W

**[Sanjiv V. Shah]**

*Partner*

Membership No. 42264

Place : Ahmedabad

Date : May 29, 2014

**Renuka Upadhyay**

*Company Secretary*

For and on behalf of

**ASIAN GRANITO INDIA LIMITED**

**[Kamleshbhai B. Patel]**

*Chairman & Managing Director*

**[Mukeshbhai J. Patel]**

*Managing Director*

Place : Ahmedabad

Date : May 29, 2014

## Section - 212

### Financial Information of the Subsidiary Company.

(In terms of Government of India, Ministry of Corporate Affairs, general Circulars No : 2/2011, No : 51/12/2007-CL-III dated 8th February 2011)

(₹ in Lacs)

Name of the Subsidiary Company	AGL Industries Limited	
	As at March 31, 2014	As at March 31, 2013
Capital	9.00	-
Reserves	11.51	-
Total Assets	544.19	-
Total Liabilities	523.68	-
Investments made by Subsidiary	-	-
Revenues (Turnover & other income)	1,281.86	-
Profit before Taxation	16.66	-
Provision for Taxation	5.15	-
Profit after Tax	11.51	-
Proposed Dividend	-	-



# Independent Auditor's Report on Consolidated Financial Statements

To the Members of

**Asian Granito India Limited**

## Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **ASIAN GRANITO INDIA LTD.** ("the Company") which comprise the Balance sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report..

## Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 of India (the "Act"), read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing and other applicable authoritative pronouncements issued by the institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error, In making those risk assessments, the auditor consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and

the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

1. We audit the financial statement of subsidiary "AGL Industries Limited", whose financial statement reflect total assets of ₹544.19 Lacs as at March 31, 2014 total revenue of ₹1281.86 Lacs and cash flows amounting to ₹(45.84) Lacs for the year then ended, These financial statements have been audited by us.
2. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, as notified by the Companies (Accounting Standard) Rules, 2006.
3. We further report that on the basis of the information and explanations given to us, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in india :-
  - i) In the case of the balance sheet, of the state of affairs of the Company as at March 31, 2014.
  - ii) In the case of the statement of profit and loss, of the profit for the year ended on that date ; and
  - iii) In the case of the cash flow statement, of the cash flows for the year ended on that date.

For **A.L. Thakkar & Co.**  
Chartered Accountants  
FRN: 120116W

**Sanjiv V. Shah**

[Partner]

Place : Ahmedabad  
Date : May 29, 2014

Membership No. : 42264

# Consolidated Balance Sheet

as at March 31, 2014

(₹ in Lacs)

Particulars	Notes	As at March 31, 2014	As at March 31, 2013
<b>EQUITY &amp; LIABILITIES</b>			
<b>1 Share holders Funds:</b>			
(a) Share Capital	2	2,258.25	2,216.13
(b) Reserve & Surplus	3	25,787.71	23,990.84
(c) Money Received against Share warrants	4	–	255.31
		<b>28,045.96</b>	<b>26,462.28</b>
<b>2 Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	1,981.86	3,373.04
(b) Deferred Tax Liabilities (Net)	6	1,660.31	1,546.78
(c) Other Long Term Liabilities	7	790.27	629.27
		<b>4,432.44</b>	<b>5,549.09</b>
<b>3 Current Liabilities</b>			
(a) Short-Term Borrowings	8	22,823.84	20,318.88
(b) Trade Payables	9	10,663.36	9,149.86
(c) Other Current Liabilities	10	2,444.26	2,954.96
(d) Short-Term Provisions	11	422.18	405.48
		<b>36,353.64</b>	<b>32,829.18</b>
<b>Total Equity &amp; Liabilities</b>		<b>68,832.04</b>	<b>64,840.55</b>
<b>ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	12	17,730.53	17,359.62
(ii) Intangible Assets	12	2.75	2.75
(iii) Capital work-in-progress	12	715.84	275.02
(b) Non Current Investments	13	1,969.64	1,804.99
(c) Long term loans and advances	14	4,731.42	4,589.98
(d) Other non-current assets	15	212.76	–
		<b>25,362.94</b>	<b>24,032.36</b>
<b>2 Current Assets</b>			
(a) Inventories	16	20,496.66	19,038.99
(b) Trade receivables	17	19,092.69	16,988.18
(c) Cash and cash equivalents	18	1,857.67	2,906.05
(d) Short-term loans and advances	19	1,867.07	1,858.30
(e) Other current assets	20	155.01	16.67
		<b>43,469.10</b>	<b>40,808.19</b>
<b>Total Assets</b>		<b>68,832.04</b>	<b>64,840.55</b>
Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Financial Statements

In terms of our report of even date attached

**A. L. Thakkar & Co.**

Chartered Accountants

FRN: 120116W

[Sanjiv V. Shah]

Partner

Membership No. 42264

Place : Ahmedabad

Date : May 29, 2014

**Renuka Upadhyay**

Company Secretary

For and on behalf of

**ASIAN GRANITO INDIA LIMITED**

[Kamleshbhai B. Patel]

Chairman & Managing Director

[Mukeshbhai J. Patel]

Managing Director

Place : Ahmedabad

Date : May 29, 2014

# Statement of Consolidated Profit and Loss

for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Notes	Year ended March 31, 2014	Year ended March 31, 2013
<b>1 REVENUE</b>			
Revenue from operations (net)	21	77,195.83	70,835.65
Other Income	22	130.38	243.83
<b>Total Revenue</b>		<b>77,326.21</b>	<b>71,079.48</b>
<b>2 EXPENSES</b>			
Cost of materials consumed	23	18,615.76	19,513.29
Purchase of Stock-in-Trade		28,773.98	20,934.43
Change in inventories of finished goods, work-in-progress and stock-in-Trade	24	813.25	(2,606.03)
Employee Benefit Expense	25	3,748.31	3,634.06
Finance Costs	26	2,113.39	2,521.00
Depreciation and Amortization Expense	27	2,160.02	2,168.90
Power & Fuels	28	11,632.31	12,326.05
Other Expenses	29	7,202.85	10,049.46
<b>Total Expenses</b>		<b>75,059.87</b>	<b>68,541.16</b>
3 Profit before exceptional and extraordinary items and tax		2,266.34	2,538.32
4 Exceptional / Extraordinary items		-	-
5 Profit before tax		2,266.34	2,538.32
6 Tax expense :			
(1) Current tax		727.09	870.00
(2) Deferred tax		113.54	(42.54)
<b>Profit for the period</b>		<b>1,425.71</b>	<b>1,710.86</b>
Basic and Diluted Earning per equity share (in ₹) of face value of ₹10 each		6.39	7.74
Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Financial Statements

In terms of our report of even date attached

**A. L. Thakkar & Co.**

Chartered Accountants

FRN: 120116W

**[Sanjiv V. Shah]**

Partner

Membership No. 42264

Place : Ahmedabad

Date : May 29, 2014

**Renuka Upadhyay**

Company Secretary

For and on behalf of

**ASIAN GRANITO INDIA LIMITED**

**[Kamleshbhai B. Patel]**

Chairman & Managing Director

**[Mukeshbhai J. Patel]**

Managing Director

Place : Ahmedabad

Date : May 29, 2014

# Consolidated Cash Flow Statement for the year ended March 31, 2014

(₹ in Lacs)

Particulars	2013-14	2012-13
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Extra-ordinary items	2,266.34	2,538.32
Adjustment for :		
Depreciation	2,160.02	2,163.18
Deferred Revenue Expenditure written off	–	22.48
Preliminary Expenses Amortised	–	5.72
Loss on sale of Fixed Assets	0.24	0.16
Interest and Finance Charges	2,113.39	2,521.00
Interest and Other Income	(130.38)	(330.64)
<b>Operating Profit before working Capital changes</b>	<b>6,409.61</b>	<b>6,920.22</b>
Adjustment for		
Trade and other Receivables	(2,104.51)	(4,031.79)
Loans and advances	(147.11)	(268.60)
Inventories	(1,457.67)	(3,087.19)
Trade Payables	1,530.20	3,256.49
Cash generated from operation Before Income Tax Paid	4,230.52	2,789.13
Direct Taxes Paid	(727.09)	(870.00)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>[A] 3,503.43</b>	<b>1,919.13</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(2,981.15)	(1,306.83)
Sales of Fixed Assets	9.15	–
Increase/Decrease in Investments	(164.65)	(1,504.99)
Interest and Other Income	130.38	330.64
Movements in Loans & Advances	(354.20)	(2,420.13)
Miscellaneous Expenditure	–	–
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>[B] (3,360.47)</b>	<b>(4,901.31)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	(1,230.18)	(759.39)
Proceeds from Short Term borrowings	1,994.26	6,070.95
Interest and Finance Charges	(2,113.39)	(2,521.00)
Final Dividend Paid (Including Dividend Tax)	–	(244.78)
Proceeds from Share Premium	168.50	440.00
Proceeds from Forfeited Share	202.66	–
Proceeds from Equity Share Capital	42.12	110.00
Money received against share warrants	(255.31)	255.31
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>[C] (1,191.34)</b>	<b>3,351.09</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>[A+B+C] (1,048.38)</b>	<b>368.91</b>
<b>Cash and Cash Equivalents As at 1st April 2013</b>	<b>2,906.05</b>	<b>2,537.14</b>
<b>Cash and Cash Equivalents As At 31st March 2014</b>	<b>1,857.67</b>	<b>2,906.05</b>

The accompanying Notes are an integral part of the Financial Statements

In terms of our report of even date attached

**A. L. Thakkar & Co.**

Chartered Accountants

FRN: 120116W

**[Sanjiv V. Shah]**

Partner

Membership No. 42264

Place : Ahmedabad

Date : May 29, 2014

**Renuka Upadhyay**

Company Secretary

For and on behalf of

**ASIAN GRANITO INDIA LIMITED**

**[Kamleshbhai B. Patel]**

Chairman & Managing Director

**[Mukeshbhai J. Patel]**

Managing Director

Place : Ahmedabad

Date : May 29, 2014

# Notes on Consolidated Financial Statement for the year ended March 31, 2014

## NOTE : 01 SIGNIFICANT ACCOUNTING POLICIES

The Significant accounting policies to the extent applicable to the companies are as under:

### (i) Principles of Consolidation :-

The consolidated financial results of ASIAN GRANITO INDIA LIMITED ("the Company") and its subsidiaries have been prepared on the following basis :

- The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together with the book value of like items of assets, liabilities and after eliminating the inter subsidiary balances in accordance with Accounting Standard (AS) 21-"Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- As far as possible the consolidated financial statement have been prepared using uniform accounting policies for like transactions and in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.
- The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- Particulars of subsidiary Company considered in the Consolidated Financial Statements are :

Name of the Subsidiary	Country of Incorporation	Proportion of ownership interest
AGL Industries Limited	India	100%

### (ii) System of Accounting :-

The Financial statements are prepared on historical cost basis and on the accounting principles of going concern in accordance with generally accepted accounting principles comprising of the mandatory accounting standards referred to in sub section (3c) of section 211 of the Companies Act, 1956 and guidance notes, etc. issued by The Institute of Chartered Accountants of India and the other provisions of The Companies Act, 1956.

### (iii) Revenue Recognition:-

All known income and expenditure quantifiable till the date of finalization of accounts are accounted on accrual basis when virtual certainty is established.

Sales of products is recognised when property in the goods with all risk rewards and effective control of goods usually associated with ownership are transferred to buyer at price includes insurance, freight etc. but excludes Excise, VAT and Sales Return if any and adjusted for discounts.

The presentation of financial statements require estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.

### (iv) Fixed Asset :-

Cost of Fixed assets comprises of its purchase price including import duties and other non refundable taxes or levies, expenditure incurred in the course of construction or acquisition and any directly attributable costs of bringing the asset to its working condition for the purpose of use for the business.

CENVAT Credit available on Capital goods has been reduced from cost of purchases of fixed assets and depreciation thereon has been calculated on the balance amount net off CENVAT credit available.

Capital Work in progress comprises of cost of capital expenditure incurred for the proposed machinery which is yet to put to use.

### (v) Depreciation :-

Depreciation has been provided on straight line method in accordance with the provision of section 205(2) (b) of Companies Act, 1956 at the rates prescribed in Schedule XIV of the Companies Act, 1956 on prorata basis with reference to the date of acquisition/ installation.

### (vi) Investments :-

Investments are shown at their cost plus incidental expenses if any. Investments are classified as long term & Current investments. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary.

### (vii) Valuation of Inventories :-

- Raw Materials : At cost or net realizable value whichever is less.
- Finished Goods : At cost or net realizable value whichever is less.
- Stores & Spares : At cost or net realizable value whichever is less.
- Fuel and Packing materials : At cost or net realizable value whichever is less.
- Work-in-progress : At Cost of production
- Stock in trade : At lower of cost or estimated realizable value.

# Notes on Consolidated Financial Statement for the year ended March 31, 2014

## NOTE : 01 SIGNIFICANT ACCOUNTING POLICIES

The cost of inventory is determined on FIFO cost formula method on relevant categories of inventories after providing for obsolete, slow moving and defective inventories where ever necessary.

### **CENVAT Credit / VAT Credit :**

CENVAT credit / VAT credit available on stores and spares and Raw Materials reduced from cost of purchases and balance has been shown in "Loans & Advances" under Current Assets in the Balance Sheet.

The Excise duty payable on the finished goods is accounted on the clearance of goods from factory premises.

### **(viii) Provisions and Contingent liabilities :-**

Contingent liabilities are disclosed after careful evaluation of facts and legal aspects of the matter involved.

Provisions and contingent liability are reviewed at each balance sheet date and events occurring after balance sheet date which are adjusted to reflect the current best estimates.

### **(ix) Retirement and other Employee Benefits :-**

#### **Provident fund :-**

Retirement benefits in the form of Provident Fund are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.

#### **Leave Benefits :-**

There is no Unutilised Leave to be encashed hence provision for Leave encashment liability does not arise as on March 31, 2014.

#### **Gratuity :-**

During the year the Company has a scheme of Retirement Benefit namely 'Group Gratuity Fund' recognised by the Income Tax authorities. This fund is administered through Trustees and the Company's contribution thereto is charged to revenue.

Contributions to Provident fund are made on accrual basis.

### **(x) Impairment of Fixed Assets :-**

Factors giving rise to any indication of impairment of the carrying amounts of the Company's Assets are appraised at each Balance Sheet date to determine and provide/reverse an impairment loss. There is no impairment in the carrying amounts of Company's Assets.

### **(xi) Foreign currency transaction :-**

Transactions in foreign Currency are recorded in rupees by applying the exchange rate at the date of the transaction and adjusted appropriately to capital or revenue, with the difference in the rate of exchange arising on actual receipt/payment during the year. Gains or Losses on settlement of the transactions are recognised under the head currency rate difference in the Profit and loss account.

Current Assets and Liabilities (monetary items) are translated at the exchange rate prevailing on the last day of the year.

The Company enters into derivative contracts strictly for hedging purposes and not for trading or speculation. Derivative transactions are being considered as off balance sheet date transactions and accordingly the gains/losses arising there from are recognised under respective heads of accounts as and when the settlement takes place with the terms of the respective contracts.

### **(xii) Provision for Current and Deferred Tax :-**

The tax expense comprises of Current Tax & Deferred Tax charged or credited to the profit and loss account for the year. Current Tax is calculated in accordance with the tax laws applicable to the current financial year. The deferred tax charge or credit is recognised using the tax rates applicable as on the date of balance sheet. Deferred Tax assets are recognised only if there is virtual certainty of realization of such assets. At balance sheet date, recognised and unrecognised Deferred Tax assets are reviewed.

### **(xiii) Borrowing Cost :-**

Borrowing cost directly attributable and/or funds borrowed generally and used for the purpose of acquisition/construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised, at its capitalization rate to expenditure on that assets, for the period, until all activities necessary to prepare qualifying assets for its intended use are complete.

### **(xiv) Deferred Revenue Expenditure :-**

Deferred Revenue Expenses includes Expenditure towards Advertisement, Brand Promotion & Exhibition of new products and mega event show charges are amortised over a period of Five years.

# Notes on Consolidated Financial Statement for the year ended March 31, 2014

## NOTE : 01 SIGNIFICANT ACCOUNTING POLICIES

### (xv) Branch Accounting :-

Stock transfer at various branches, are done at a rate inclusive of Excise, education cess and freight charges. When the Sales from branches effected, above transfer value is nullified. Sales values of branches are accounted inclusive of VAT / CST charged by respective branches.

Further system of accounting of all branch expenses and C & F expenses are centralised and booked on the basis of vouchers and supporting sent by C & F and branches.

### (xvi) Leases :-

#### Where the Company is the lessee

Leases, wherein the lesser effectively retains substantially all the risks and benefits of ownership of the leases item, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term as per Lease Agreement.

### (xvii) Central Excise Duty :-

Excise duty is accounted on the basis of payments made in respect of goods cleared.

The previous year figure has been re-grouped/re-classified, wherever necessary to confirm to the current year presentation.

## NOTE : 02 SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>EQUITY SHARE CAPITAL</b>		
<b>Authorised</b>		
3,12,50,000 (P.Y. 3,12,50,000) Equity Shares of ₹10/- each	3,125.00	3,125.00
<b>EQUITY SHARE CAPITAL</b>		
<b>Issued, Subscribed and Paid up.:</b>		
2,25,82,541 Equity Shares of ₹10/- each fully paid up	2,258.25	2,216.13
(Previous Year 2,21,61,291 Equity Shares of ₹10/- each fully paid up)		
<b>TOTAL OF SHARE CAPITAL</b>	<b>2,258.25</b>	<b>2,216.13</b>

### (2.2) The details of Equity shareholders holding more than 5% shares :

Name of the shareholder	As at March 31, 2014	
	No. of Shares	% Held
Mukeshbhai Jivabhai Patel	1,715,619	7.60%
Kamleshbhai Bhagubhai Patel	2,438,768	10.80%

Name of the shareholder	As at March 31, 2013	
	No. of Shares	% Held
Mukeshbhai Jivabhai Patel	2,449,010	11.05%
Kamleshbhai Bhagubhai Patel	2,438,768	11.00%

### (2.3) The reconciliation of the number of shares outstanding is set out below :

Particulars	As at March 31, 2014	As at March 31, 2013
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	22,161,291	21,061,291
Add : Preferential Equity Shares issued during the year	421,250	1,100,000
Less : Shares bought back during the year	0	0
Equity Shares at the end of the year	22,582,541	22,161,291

# Notes on Consolidated Financial Statement for the year ended March 31, 2014

## NOTE : 03 RESERVES & SURPLUS

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>a) Securities Premium Reserve</b>		
As per Last Balance Sheet	7,144.50	6,704.50
Add : on issue of shares	168.50	440.00
Closing Balance	<b>7,313.00</b>	<b>7,144.50</b>
<b>b) General Reserve</b>	890.00	890.00
<b>c) Profit and Loss Account</b>		
As per last balance sheet	15,956.34	14,257.81
Add : Transfer from Profit & Loss Account	1,425.71	1,710.86
Add : Forfeited Convertible Warrants	202.66	–
Less : Dividend on Equity Shares	–	10.60
Less : Tax On Dividend	–	1.73
	<b>17,584.71</b>	<b>15,956.34</b>
Less : Appropriations		
Proposed Dividend on Equity Shares [Dividend Per Share Nil (Previous year Nil)]	–	–
Tax on Proposed Dividend	–	–
	<b>17,584.71</b>	<b>15,956.34</b>
<b>TOTAL OF RESERVES &amp; SURPLUS</b>	<b>25,787.71</b>	<b>23,990.84</b>

## NOTE : 04 MONEY RECEIVED AGAINST SHARE WARRANTS

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
MONEY RECEIVED AGAINST SHARE WARRANTS	–	255.31
<b>TOTAL OF MONEY RECEIVED AGAINST SHARE WARRANTS</b>	<b>–</b>	<b>255.31</b>

## NOTE : 05 LONG TERM BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>SECURED LOANS</b>		
<b>Borrowings from Banks :</b>		
Term Loan - Rupee	577.40	1,240.22
Term Loan - Foreign Currency	62.74	131.36
Term Loan - Buyers Credit	1,238.99	1,911.11
Vehicle Loans	102.73	90.35
<b>TOTAL OF LONG TERM BORROWING</b>	<b>1,981.86</b>	<b>3,373.04</b>

- 5.1 Term Loan ₹1816.39 lacs are secured by way of First Pari Passu charge over the movable & immovable properties of the Company situated at Block No.160, 147A paiki, 162 at village Dalpur, Taluka-Prantij, Dist: Sabarkantha, Gujarat, over the movable assets including Plant & Machineries situated at Survey No.16 (Paiki) Village: Jawanpura, Tal: Idar, Dist: Sabarkantha, Gujarat and over the One Wind Mill No.V-20 at survey No.204/1, Paiki, Village Vanku, Tal: Abdasa, Dist: Kutch, Gujarat AND Second Pari passu charge over entire current Assets situated at Block No.160, 147A Paiki, 162 at village Dalpur, Taluka-Prantij, Dist: Sabarkantha, Gujarat and over entire current assets situated at Survey No.16 (Paiki) Village: Jawanpura, Tal: Idar, Dist: Sabarkantha, Gujarat.
- 5.2 Term Loan ₹62.74 lacs are secured by way of First Charge on all current assets and fixed assets including movable assets of the Agro Tech Division of the Company situated at Block No.533 at Village Dalpur, Taluka: Prantij, Dist: Sabarkantha, Gujarat.
- 5.3 Vehicle loans are secured by hypothecation of vehicles in favour of Bank.



# Notes on Consolidated Financial Statement for the year ended March 31, 2014

## NOTE : 06 DEFERRED TAX LIABILITY (Net)

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>DEFERRED TAX LIABILITIES : Related to</b>		
Depreciation	1,310.08	1,314.90
Disallowance under the Income Tax Act, 1961	350.18	231.83
	<b>1,660.26</b>	<b>1,546.73</b>
<b>LESS : DEFERRED TAX ASSETS : Related to</b>		
Disallowance under the Income Tax Act, 1961	(0.05)	(0.05)
	<b>(0.05)</b>	<b>(0.05)</b>
<b>TOTAL OF DEFERRED TAX LIABILITY (Net)</b>	<b>1,660.31</b>	<b>1,546.78</b>

(6.1) The Net Increase during the year in the deferred tax liability ₹113.54 Lacs (P.Y. ₹42.54 Lacs Decrease) has been credited to the Statement of Profit & Loss Account.

## NOTE : 07 OTHER LONG TERM LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Trade Security Deposits	597.17	582.32
Others	193.10	46.95
<b>TOTAL OF OTHER LONG TERM LIABILITIES</b>	<b>790.27</b>	<b>629.27</b>

## NOTE : 08 SHORT TERM BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>SECURED LOANS</b>		
<b>CASH CREDIT LOAN</b>		
<b>FROM BANK</b>		
Rupees Loan	19,329.98	16,209.40
Foreign Currency Loan - FCNR	–	1,406.07
Foreign Currency Loan - Buyers Credit	169.50	1,704.05
<b>TOTAL OF SECURED</b>	<b>19,499.48</b>	<b>19,319.52</b>
<b>UNSECURED LOANS</b>		
<b>FROM BANK</b>		
Bill Discounting	3,324.36	999.36
<b>TOTAL OF UNSECURED</b>	<b>3,324.36</b>	<b>999.36</b>
<b>TOTAL OF SHORT TERM BORROWING</b>	<b>22,823.84</b>	<b>20,318.88</b>

8.1 Working capital loans are secured by hypothecation of present and future stock of Raw Materials, Stock in Process, Semi-finished goods, stores and spares and Book debts, receivables And second Pari Passu charge over entire movable assets and Immovable Properties of the Company situated at Block No.160, 147A paiki, 162 at village Dalpur, Taluka-Prantij, Dist: Sabarkantha, Gujarat (Vitrified/Wall /Marble Division) And Survey No.16 (paiki), Village : Jawanpura, Taluka: Idar, Dist: Sabarkantha, Gujarat (Ceramic Division).

8.2 Bill Discounting Limit is guaranteed by Directors of the Company.

# Notes on Consolidated Financial Statement for the year ended March 31, 2014

## NOTE : 09 TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Micro, Small and Medium Enterprises	2,160.94	1,021.09
Others	8,502.42	8,128.77
<b>TOTAL OF TRADE PAYABLES</b>	<b>10,663.36</b>	<b>9,149.86</b>

9.1 The details of amount outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Principal amount due and remaining unpaid	2,160.94	1,021.09
Interest due on above and the unpaid interest	–	–
Interest paid	–	–
Payment made beyond the appointed day during the year	–	–
Interest due and payable for the period of delay	–	–
Interest accrued and remaining unpaid	–	–
Amount of further interest remaining due and payable in succeeding years	–	–

## NOTE : 10 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Current maturities of long term debt	1,326.50	1,491.76
Interest accrued but not due on borrowings	6.33	18.72
Unpaid Dividends **	0.54	0.55
Statutory Dues Payable	189.20	190.25
Provision for Expenses	57.47	388.20
Advance from Customer	493.12	443.72
Capital Creditors	209.92	352.02
Other Payables	161.18	69.74
<b>TOTAL OF OTHER CURRENT LIABILITIES</b>	<b>2,444.26</b>	<b>2,954.96</b>

\*\* Unpaid dividends do not include any amounts, due and outstanding, to be credited to investor Education and protection fund.

## NOTE : 11 SHORT TERM PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Provisions for Employee Benefit	417.03	405.48
Proposed Dividend	–	–
Tax on Dividend	–	–
Others	5.15	–
<b>TOTAL OF SHORT TERM PROVISIONS</b>	<b>422.18</b>	<b>405.48</b>

# Notes on Consolidated Financial Statement for the year ended March 31, 2014

## NOTE : 12 FIXED ASSETS

(₹ in Lacs)

Description	Gross Block				Depreciation / Amortization				Net Block	
	As at 01-04-2013	Addition	Deduction / Adjustment	As at 31-03-2014	As at 01-04-2013	For the Year	Deduction / Adjustment	Upto 31-03-2014	As at 31-03-2014	As at 31-03-2013
<b>TANGIBLE ASSETS :</b>										
Land & Land Development	468.64	16.26	-	484.90	-	-	-	-	484.90	468.64
Power Plant-Windmill Land	10.00	-	-	10.00	-	-	-	-	10.00	10.00
Building - Factory	6640.32	3.64	-	6643.96	1080.33	221.87	-	1302.20	5,341.76	5,559.99
Office & Other Building	837.87	-	-	837.87	68.73	13.66	-	82.39	755.48	769.14
Plant & Machinery & Elec.	18045.08	2354.01	8.38	20390.71	8892.02	1727.92	1.21	10618.73	9,771.98	9,153.06
Power Plant - Wind Mill	601.85	-	-	601.85	300.95	62.23	-	363.18	238.67	300.90
Furniture & Fixture	614.87	49.97	-	664.84	144.15	39.93	-	184.08	480.76	470.72
Vehicle	519.60	31.30	-	550.90	165.12	50.71	-	215.83	335.07	354.48
Office Equipment	216.80	18.90	-	235.70	52.39	10.72	-	63.11	172.59	164.41
Computers	244.79	66.25	1.02	310.02	136.51	34.29	0.10	170.70	139.32	108.28
<b>TOTAL (A)</b>	<b>28199.82</b>	<b>2540.33</b>	<b>9.40</b>	<b>30730.75</b>	<b>10840.20</b>	<b>2161.33</b>	<b>1.31</b>	<b>13000.22</b>	<b>17,730.53</b>	<b>17,359.62</b>
<b>INTANGIBLE ASSETS :</b>										
Trade Mark	55.00	-	-	55.00	52.25	-	-	52.25	2.75	2.75
<b>TOTAL (B)</b>	<b>55.00</b>	<b>-</b>	<b>-</b>	<b>55.00</b>	<b>52.25</b>	<b>-</b>	<b>-</b>	<b>52.25</b>	<b>2.75</b>	<b>2.75</b>
<b>TOTAL (A + B)</b>	<b>28254.82</b>	<b>2540.33</b>	<b>9.40</b>	<b>30785.75</b>	<b>10892.45</b>	<b>2161.33</b>	<b>1.31</b>	<b>13052.47</b>	<b>17,733.28</b>	<b>17,362.37</b>
Previous Year	27268.07	1031.81	45.06	28254.82	8774.17	2163.18	44.90	10892.45	17,362.37	18,493.90
Capital Work-in-progress	275.02	677.62	236.80	715.84	-	-	-	-	715.84	275.02

## NOTE : 13 NON-CURRENT INVESTMENT

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Long Term Investments other than trade (At Cost)</b>		
<b>In Equity Shares of Associate Company - Un Quoted, fully paid up</b>		
AGL Panaria Private Limited	409.65	245.00
40,96,500 Equity Shares of ₹10/- each [Previous Year 24,50,000 Equity Shares of ₹10/- each]		
Astron paper & Board Mill Ltd.	1,185.00	1,185.00
118,50,000 Equity Shares of ₹10/- each		
Amazon Ceramics Limited	365.19	365.19
91,29,720 Equity Shares of ₹4/- each		
AGL Industries Limited	-	-
90,000 Equity Shares of ₹10/- each		
<b>In Partnership Firms</b>	9.80	9.80
<b>TOTAL OF NON CURRENT INVESTMENT</b>	<b>1,969.64</b>	<b>1,804.99</b>

## NOTE : 14 LONG TERM LOANS & ADVANCES

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
(Unsecured Considered good)		
Advance Income Tax (Net of Provision)	264.50	289.92
Others	4,466.92	4,300.06
<b>TOTAL OF LONG TERM LOANS &amp; ADVANCES</b>	<b>4,731.42</b>	<b>4,589.98</b>

# Notes on Consolidated Financial Statement for the year ended March 31, 2014

## NOTE : 15 OTHER NON CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Deferred Expense	212.76	–
<b>TOTAL OF OTHER NON CURRENT ASSETS</b>	<b>212.76</b>	<b>–</b>

## NOTE : 16 INVENTORIES

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Material</b>		
Raw Material	5,090.74	2,987.20
Packing Material	323.74	167.51
Semi Finished		
(a) Inventories	72.11	248.70
(b) Goods-in-Transit	–	–
<b>Work-in-progress</b>	1,969.87	1,670.60
<b>Finished Goods</b>		
(a) Inventories	10,202.89	10,619.07
(b) Goods-in-Transit	6.26	1.67
<b>Stock-in-Trade</b>		
(a) Inventories	712.62	1,413.55
(b) Goods-in-Transit	–	–
<b>Stock of Stores &amp; Spares</b>	1,932.92	1,822.14
<b>Others</b>		
(a) Stock of Fuel	185.51	108.55
<b>TOTAL OF INVENTORIES</b>	<b>20,496.66</b>	<b>19,038.99</b>

Inventory items have been valued considering the Significant Accounting Policy No. VI disclosed in Note no. 1 to these financial statements.

## NOTE : 17 TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
(Unsecured and Considered Good)		
Over six months	2,163.32	2,068.32
Others	16,929.37	14,919.86
<b>TOTAL OF TRADE RECEIVABLES</b>	<b>19,092.69</b>	<b>16,988.18</b>

## NOTE : 18 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Balance with Banks **	1,281.74	1,783.01
Cash on hand	33.35	76.58
Fixed deposits with banks		
(a) Less Than 12 Months Maturity	542.58	1,046.46
(b) More Than 12 Months Maturity	–	–
<b>TOTAL OF CASH &amp; CASH EQUIVALENTS</b>	<b>1,857.67</b>	<b>2,906.05</b>

\*\* Balance with Banks includes Unpaid Dividend of ₹94,791/- (Previous Year ₹95,391/-)

# Notes on Consolidated Financial Statement for the year ended March 31, 2014

## NOTE : 19 SHORT TERM LOANS & ADVANCES

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured Considered Goods		
Balance with Customs, Central Excise Authorities	970.87	947.33
Deposit with Others	149.47	167.02
Advance to Gratuity Trust	27.46	-
Prepaid Expense	60.48	57.75
Advance to Others **	658.79	686.20
<b>TOTAL OF SHORT TERM LOANS &amp; ADVANCES</b>	<b>1,867.07</b>	<b>1,858.30</b>

\*\* Advance to others includes advance to creditors

## NOTE : 20 OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Miscellaneous Expenditure	155.01	16.67
<b>TOTAL OF OTHER CURRENT ASSETS</b>	<b>155.01</b>	<b>16.67</b>

## NOTE : 21 REVENUE FROM OPERATIONS (NET)

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Sale of Products (Gross)	85,445.05	79,642.49
Less: Excise Duty/ VAT & CST Recovered	8,417.35	9,030.45
	<b>77,027.70</b>	<b>70,612.04</b>
Other Operating revenues	168.13	223.61
<b>TOTAL OF REVENUE FROM OPERATIONS (NET)</b>	<b>77,195.83</b>	<b>70,835.65</b>
<b>PARTICULARS OF SALE OF PRODUCTS</b>		
Tiles Products	63,463.94	60,969.21
Marble & Quartz	11,133.72	8,403.34
Agro Products	1,974.72	362.51
Chemical Products	352.21	722.39
Others	103.11	154.59
	<b>77,027.70</b>	<b>70,612.04</b>
<b>OTHER OPERATING REVENUES</b>		
Wind Mill Power Generation Income	85.37	95.32
Job Work Income	13.64	41.48
Duty Draw Back income	69.12	86.81
	<b>168.13</b>	<b>223.61</b>

# Notes on Consolidated Financial Statement for the year ended March 31, 2014

## NOTE : 22 OTHER INCOME

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>Interest Income</b>		
From Others	84.71	180.27
Dividend Income	–	–
<b>Net Gain/Loss on sales of investments</b>		
From Current Investments	–	–
Other non-operating income	45.67	63.56
<b>TOTAL OF OTHER INCOME</b>	<b>130.38</b>	<b>243.83</b>

## NOTE : 23 COST OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>Raw Material Consumed</b>		
Body Material	9,958.19	12,253.41
Glaze, Frits and Chemicals & Others	4,322.27	4,683.62
Packing Materials	1,102.93	1,839.71
	<b>15,383.39</b>	<b>18,776.74</b>
<b>Semi Finished Material Consumed</b>		
Marble	3,232.37	736.55
Tiles	–	–
	<b>3232.37</b>	<b>736.55</b>
<b>TOTAL OF COST OF MATERIAL CONSUMED</b>	<b>18,615.76</b>	<b>19,513.29</b>

## NOTE : 24 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>FINISHED GOODS</b>		
(a) Closing Stock on hand	10,209.15	10,620.74
(b) Opening Stock	10,620.74	8,106.65
	<b>(411.59)</b>	<b>2,514.09</b>
<b>WORK IN PROCESS</b>		
(a) Closing Stock on hand	1,969.87	1,670.60
(b) Opening Stock	1,670.60	1,375.68
	<b>299.27</b>	<b>294.92</b>
<b>STOCK-IN-TRADE</b>		
(a) Closing Stock on hand	712.62	1,413.55
(b) Opening Stock	1,413.55	1,616.53
	<b>(700.93)</b>	<b>(202.98)</b>
<b>TOTAL OF CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE</b>	<b>813.25</b>	<b>(2,606.03)</b>

# Notes on Consolidated Financial Statement for the year ended March 31, 2014

## NOTE : 25 EMPLOYEE BENEFIT EXPENSE

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Salaries and Wages	3,513.97	3,326.46
Contribution to Provident and Other Funds	169.54	240.90
Staff Welfare Expenses	64.80	66.70
<b>TOTAL OF EMPLOYEE BENEFIT EXPENSE</b>	<b>3,748.31</b>	<b>3,634.06</b>

## NOTE : 26 FINANCE COSTS

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Interest Expenses	2,014.25	2,170.79
Other borrowing costs		
- Processing Fees	32.22	66.02
- Other Ancillary Cost	66.45	127.99
Applicable loss on foreign currency transactions and translation	0.47	156.20
<b>TOTAL OF FINANCE COSTS</b>	<b>2,113.39</b>	<b>2,521.00</b>

## NOTE : 27 DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Depreciation Expense	2,160.02	2,163.18
Amortization Expense	-	5.72
<b>TOTAL OF DEPRECIATION AND AMORTIZATION EXPENSE</b>	<b>2,160.02</b>	<b>2,168.90</b>

## NOTE : 28 POWER & FUELS

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Fuel & Gas Consumed	9,077.64	9,242.90
Electricity Power Consumed	2,554.67	3,083.15
<b>TOTAL OF POWER &amp; FUELS</b>	<b>11,632.31</b>	<b>12,326.05</b>

# Notes on Consolidated Financial Statement for the year ended March 31, 2014

## NOTE : 29 OTHER EXPENSES

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>MANUFACTURING EXPENSE</b>		
Stores Materials Consumed	1,322.06	2,468.89
Loading Unloading & Other factory overheads	496.43	788.30
Repairs to Buildings	7.40	29.26
Repairs to Machinery	86.25	103.64
	<b>1,912.14</b>	<b>3,390.09</b>
<b>SALES &amp; DISTRIBUTION EXPENSE</b>		
Advertisement Expense	568.53	689.97
Excise Duty	177.43	412.99
Other Selling & Distribution Expense	2,598.18	3,291.49
	<b>3,344.14</b>	<b>4,394.45</b>
<b>OFFICE &amp; ADMINISTRATIVE EXPENSE</b>		
Insurance	102.27	126.59
Rent, Rates & Taxes	380.20	455.23
Auditor's Remuneration	5.15	5.00
Director's Travelling	9.57	12.76
Travelling & Conveyance	688.97	645.29
Charity & Donations	11.42	9.77
Legal & Professional Fees	97.94	318.00
Loss on Sale of Assets	0.24	0.16
Misc. & General Expenses	127.34	115.69
Postage & Courier & Commission	134.26	148.14
Printing & Stationery	57.87	65.86
Repairs & Maintenance - Others	64.45	101.18
Vehicle Repairs & Maintenance	64.50	55.84
Sundry Balance Written off	(48.73)	24.07
Foreign Exchange Loss	251.12	181.34
	<b>1,946.57</b>	<b>2,264.92</b>
<b>TOTAL OF OTHER EXPENSES</b>	<b>7,202.85</b>	<b>10,049.46</b>

## OTHER NOTES ON ACCOUNT

30. During the year, Expenditure incurred of ₹3,66,90,351 (P.Y. ₹ Nil) towards Advertisement, Brand Promotion & Exhibition Expenses of new products are deferred as the benefit out of it is expected to occur in future year also.
31. The quantity of inventories is based upon physical verification by the management and the valuation is also based on details of cost and realizable value (wherever applicable) considering the quality & other relevant factors ascertained by management. The quantities of inventories, Sales, and purchases are taken on the basis of details worked out from the bills and the stock records maintained by the Company (wherever applicable).
32. **In the opinion of the Board of Directors,**
  - (1) Current Assets, Loans & Advances are realizable in the ordinary course of business, at the value at which they are stated.
  - (2) The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.
33. In sample sale, Only Excise, EDU and HEDU payable on sample sale value is charged as expenses considering no commercial value of samples.
34. Balance of Sundry creditors, debtors, debit/credit balance of loans and advances are subject to confirmation from the respective parties.



# Notes on Consolidated Financial Statement for the year ended March 31, 2014

## OTHER NOTES ON ACCOUNT

35. Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with the current year figures.

### 36. Dues to Small, Micro & Medium Enterprises :-

(₹ in Lacs)

Particulars	2013-14	2012-13
1. Principal amount outstanding	2,160.94	1,021.09
2. Interest due on (1) above and the unpaid interest	-	-
3. Interest paid on all delayed payments under MSMED Act	-	-
4. Payment made beyond the appointed date during the Year	-	-
5. Interest due and payable for the period of delay other than (3) above	-	-
6. Interest accrued and remaining unpaid	-	-
7. Amount of further interest remaining due and payable in succeeding years	-	-

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 are as per available information with the Company.

37. We have verified the vouchers and documentary evidences wherever made available. Where no documentary evidences were available we relied on the authentication given by the management.

### 38. The expenditure incurred in foreign exchange :-

(₹ in Lacs)

Particulars	2013-14	2012-13
Foreign Travelling	8.52	20.94
Foreign Exhibition	23.84	1.24
Foreign Sales Commission	24.05	42.82

### 39. Particulars of Sales & stocks :-

(₹ in Lacs)

Particulars	Tiles	Marble	Others	Total
Opening Stock	9750.96	2132.96	150.37	12034.29
	(8,843.15)	(850.98)	(29.06)	(9,723.19)
Purchase	26648.68	120.79	2004.51	28773.98
	(20,116.79)	-	(817.64)	(20,934.43)
Closing Stock	9115.41	1801.65	4.71	10921.63
	(9,750.96)	(2,132.96)	(150.37)	(12,034.29)
Sales	63463.94	11133.72	2430.04	77027.70
	(60,969.21)	(8,403.34)	(1,239.49)	(70,612.04)

Note : Figures in bracket shows previous year figures.

40. Value of Export calculated at F.O.B. valued :- ₹2428.35 Lacs /- (P.Y. ₹2337.47 Lacs)

### 41. CIF Value of Import :- ₹5331.10 Lacs /-

(₹ in Lacs)

Particulars	2013-14	2012-13
Capital Goods	15.44	529.23
Store & Spares	584.87	717.65
Raw Materials	893.56	1080.58
Finish Goods	1278.70	2487.54
Semi Finish Marble	2556.24	-
Other Design Materials	2.29	29.16
<b>Total</b>	<b>5331.10</b>	<b>4844.16</b>

# Notes on Consolidated Financial Statement for the year ended March 31, 2014

## OTHER NOTES ON ACCOUNT

### 42. Details of Auditors Remuneration :-

(₹ in Lacs)

Particulars	2013-14	2012-13
Statutory Audit	4.65	4.50
Tax Audit	0.50	0.50
Others	-	-
<b>Total</b>	<b>5.15</b>	<b>5.00</b>

### 43. Disclosure required by the AS15 (Revised) :- Employee

#### A. Components of Employer Expense

(₹ in Lacs)

Particulars	2013-14	2012-13
1. Current service Cost (Including risk premiums for fully insured schemes)	34.78	36.04
2. Interest Cost	11.28	6.01
3. Expected Return on Assets	(10.92)	(9.15)
4. Curtailment Cost/(Credit)	-	-
5. Settlement Cost/(Credit)	-	-
6. Past Service Cost	-	-
7. Actuarial (gain)/and Losses	(47.40)	24.71
8. Total Employer Expense recognised in the P & L	(12.27)	57.61

(₹ in Lacs)

(I) Net Asset/(Liability) Recognised in Balance Sheet March 31, 2014	2013-14	2012-13
1. Present value of Defined Benefit Obligation as at March 31, 2014	148.61	137.51
2. Fair Value of Plan Assets as at March 31, 2014	(121.15)	121.37
3. Funded status [Surplus/(Deficit)]	27.46	(16.14)
4. Unrecognised Past Service Costs	-	-
5. Net Assets/(liability) recognised in Balance Sheet	27.46	(16.14)

(₹ in Lacs)

(II) Change in Obligation & Assets over the period ending on March 31, 2014	2013-14	2012-13
1 Present value of Defined Benefit Obligation At Beginning (Opening)	137.51	78.37
2 Employer Service Cost	-	36.04
3 Interest Cost	11.28	6.01
4 Curtailment cost/(Credit)	34.78	-
5 Settlement cost/(Credit)	-	-
6 Plan Amendments	-	-
7 Acquisitions	-	-
8 Actuarial (Gain)/Loss	(47.81)	23.40
9 Benefits Payments	(14.61)	(6.31)
10 Present value of Defined Benefit Obligation At Beginning (Closing)	121.14	137.51

# Notes on Consolidated Financial Statement for the year ended March 31, 2014

## OTHER NOTES ON ACCOUNT

<i>(₹ in Lacs)</i>		
B. Change in Assets		
Particulars	2013-14	2012-13
1 Fair Value of Plan assets at the Beginning of the period	121.37	89.72
2 Expected Return on Plan Assets (Para 108/109)	10.92	9.15
3 Actuarial Gain / (Loss)	(0.41)	(1.31)
4 Assets Distributed on Settlements	-	-
5 Actual Company contributions less Risk Premium	31.33	30.12
6 Benefits payments	(14.61)	(6.31)
7 Fair Value of the assets at the end of the period	148.60	121.37

<i>(₹ in Lacs)</i>		
[A] Net Asset/(Liability) Recognised in Balance Sheet March 31, 2014		
Particulars	2013-14	2012-13
1 Net assets/(Liability) Recognised in the Balance Sheet at the beginning of the period March 31, 2014	(16.14)	11.35
2 Employer Expense	12.27	(57.61)
3 Employer Contributions	31.33	30.12
4 Acquisitions/business combinations	-	-
5 Net Assets/(liability) recognised in Balance Sheet as on March 31, 2014	27.46	(16.14)

<i>(₹ in Lacs)</i>		
Assumption	31st March, 2014	31st March, 2014
Discount rate (P78 of AS15R)	9.31%	8.20%
Expected return on assets (P107-109 AS15R)	9.31%	9.00%
Salary Increases (Para 83-91 and 120(l) AS15R)	4.00%	5.00%
Withdrawal rates	2.00%	3.00%
LIC (1994-96) Published table of Mortality Rates.	Indian Assured Lives Mortality (1994-96) (Modified) Ultimate	

#### 44. Accounting for taxes of Income :- (AS-22)

(a) Deferred tax liabilities comprises of timing differences on account of:

<i>(₹ in Lacs)</i>		
Particulars	As at March 31, 2014	As at March 31, 2013
Depreciation	1,310.09	1,314.90
Deferred Expenses	374.35	247.26
Interest Accrued but not due	(1.71)	(5.63)
Leave Encashment & Bonus	(22.46)	(9.80)
Others	-	-
<b>Total</b>	<b>1,660.27</b>	<b>1,546.73</b>

(b) The Provision for current taxes has been made in the account as per the provisions of Income Tax Act, 1961.

# Notes on Consolidated Financial Statement for the year ended March 31, 2014

## OTHER NOTES ON ACCOUNT

### 45. Earning Per Share :- (AS-20)

- i) The amount used as numerator in calculating basic and diluted earning per share is the profit after depreciation and taxes i.e. ₹1425.71/- Lacs.
- ii) The number of ordinary shares used as the denominator in calculating the basic earning per share is 2,23,19,260 i.e. weighted number of equity shares as on the date of balance sheet March 31, 2014. Diluted earning per share is arrived by taking weighted number of equity shares outstanding as on the date of balance sheet i.e. 2,23,19,260

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Profit attributable to the Equity Shareholders (₹) (A)	1425.71	1710.86
Weighted average No. of Equity Shares Outstanding during the year (B)	223.19	221.15
Nominal value of Equity Shares ₹	10	10
Basic / Diluted Earnings per Share (₹) (A) (B)	6.39	7.74

### 46. Borrowing Cost :- (AS-16)

Based on the guiding principle given in Accounting standard on "Borrowing Cost" (AS-16) issued by the ICAI, the Company has capitalised ₹ Nil/-, (P.Y. ₹ Nil/-) during the year to the Fixed Assets.

### 47. Segment Reporting :- (AS-17)

Based on the guiding principle given in Accounting standard on "Segment Reporting" (AS-17) issued by the ICAI, the Company's primary business is manufacturing of Tiles, the tiles business of the Company incorporate product groups i.e. Ceramic Tiles which mainly have similar risk and returns, accordingly there are no separately segment.

The operation of the Company is in India and all Assets and Liabilities are located in India. And analysis of the Sales by Geographical market is given below. (₹ in Lacs)

Sr. No.	Particulars	2013-14	2012-13
1.	India	74625.35	68166.33
2.	Out side India	2402.35	2445.71

### 48. Related Party Disclosures under :- (AS-18)

During the year the Company entered into transaction with the related parties. Those transactions along with related balances as at 31st March, 2014 and for the year then ended are presented in the following.

List of related parties with whom transaction have taken place during the year along with nature and volume of transactions.

#### • Associates

##### Associates :-

Amazon Ceramics Limited	AGL Infrabuild Pvt Limited
Affil Vitrified Pvt Limited	Asian Institute of Technology
AGL Panaria Pvt Limited	AGL Marketing LLP

##### Key Management Personnel :-

Kamleshbhai Bhagubhai Patel	Kanubhai Bhikhabhai Patel
Mukeshbhai Jivabhai Patel	Bhavesbhai Vinodbhai Patel
Sureshbhai Jivabhai Patel	Bhogibhai Bhikhabhai Patel

##### Relatives of Key Management Personnel:-

Heenaben Kamleshbhai Patel	Hiren Sureshbhai Patel
Bhagubhai Punjabhai Patel	Sureshbhai Bhikhabhai Patel
Hiraben Bhagubhai Patel	Asmitaben Bhavesbhai Patel
Shaunak Mukeshbhai Patel	Vipulbhai Vinodbhai Patel
Bhanuben Mukeshbhai Patel	Vinodbhai Lalabhai Patel
Dhuliben Jivabhai Patel	Rameshbhai Bhikhabhai Patel
Chhayaben Sureshbhai Patel	-

# Notes on Consolidated Financial Statement for the year ended March 31, 2014

## OTHER NOTES ON ACCOUNT

### 48. Related Party Disclosures under : (contd...)

(₹ in Lacs)

Sr No	Particulars	Associates and Subsidiaries	Relatives of Key Management Personnel	Key Management Personnel
<b>(A)</b>	<b>Transaction during the year</b>			
1	Purchase	4,735.80	–	–
2	Sale	461.70	–	–
3	Loan Given	229.70	0.69	0.89
4	Loan Recover	154.35	–	–
5	Loan Taken	27.65	–	–
6	Loan Re Paid	27.65	–	–
7	Director Remuneration	–	–	107.78
8	Salary	–	76.95	–
9	Director Sitting Fee	–	1.22	–
10	Rent Income Received	–	9.79	4.28
11	Rent Expense Paid	–	0.06	0.24
12	Share Application Money	300.00	–	–
13	Advance Received	52.72	–	–
14	Interest Received	132.13	–	–
15	Know How Fee & Profe. Fees	17.32	–	–
<b>(B)</b>	<b>Balance as at 31st March, 2014</b>			
1	Loan & Advances	2,112.39	–	–
2	Trade Payable	767.43	–	–
3	Trade Receivable	339.14	–	–

### 49. Contingent Liabilities :- (AS-29)

In view of the Accounting Standard issued by ICAI "Provisions and Contingent Liabilities" (AS-29), following contingent liabilities have been identified which have not been provided for in the books of accounts.

(₹ in Lacs)

Sr No	Particulars	Amount
1	Bank Guarantee	1994.29
2	Custom Duty which may arise if obligation for exports is not fulfilled against import of capital goods under EPCG.	970.85
3	<b>Claims against the Company / Disputed Liabilities not acknowledged as Debts</b>	
	i) Sales Tax demands against which Company has preferred appeal.	210.88
	ii) Excise Duty claim by DGCEI-Ahmedabad	2043.18
	iii) Income tax	3010.62
	iv) Consumer / Legal Cases	40.62
	v) Letters of Credit opened with Bank	1493.44

The Company has filed appeal before The Joint Commissioner of Commercial Tax – Appeals for demand of Sales Tax of ₹45,07,857 and ₹9,62,743 for the financial year 2003-04 & 2004-05 respectively. The Dispute is regarding set off against the purchase of fuel not allowed by the Sales tax Department. However, Gujarat High Court has given the decision in favour of M/s Ami Pigment Ltd and hence the Company has filed appeal on the basis of this decision

The Company has filed first appeal before The Deputy Commissioner of Commercial Tax–Appeals-III, Gandhinagar against demand of CST (Net) for ₹2,68,730 for the financial year 2006-07 for pending "C" forms

# Notes on Consolidated Financial Statement for the year ended March 31, 2014

## OTHER NOTES ON ACCOUNT

### 49. Contingent Liabilities :- (AS-29)

The Company has also filed an appeal before The Deputy Commissioner of Commercial Tax–Appeals-III, Gandhinagar against demand of VAT for ₹49,27,910 raised in provisional assessment made by The Asst. Commissioner of Commercial Tax Enforcement Division, wing-III, Gandhinagar for the financial year 2007-08 on account of issue of in put VAT credit reduction method on OGS Branch Transfer and Sample Sales.

The Company has also filed first appeal before The Joint Commissioner of Commercial Tax – Appeals against demand of CST (Net) for ₹55,83,126 for the financial year 2008-09 for pending “C” forms.

The Company has also filed first appeal before The Joint Commissioner of Commercial Tax–Appeals-I, Ahmedabad against demand of CST for ₹11,83,893 raised in regular assessment made by The Deputy Commissioner of Commercial Tax, Corporate Cell-1, Gandhinagar for the financial year 2009-10 for pending “C” forms

The Company has also filed an appeal before The Deputy Commissioner of Commercial Tax–Appeals-III, Gandhinagar against demand of VAT / CST for ₹26,53,636 raised in provisional assessment made by The Asst. Commissioner of Commercial Tax Enforcement Division, wing-III, Gandhinagar for the period from Apr-11 to Jul-11 (financial year 2011-12) on account of issue of in put VAT credit reduction method on OGS Branch Transfer and Sample Sales and OGS Sales.

Disputed Income Tax Liability of ₹2746.20 lacs for various Asst. Years for which department has preferred appeals at higher levels. Out of these, Liabilities to the extent of ₹192.74 lacs have remained pending after CIT (Appeals) order effect. The Company has already paid ₹192.74 lacs towards remaining disputed liabilities and there is no disputed amount remains unpaid. Company has preferred an appeal before Tribunal Ahmedabad.

Disputed Income tax Liability of ₹336.68 lacs for A.Y.2006-07 Re-Assessment for which the Company has preferred an appeal before the CIT (Appeal) Ahmedabad.

Disputed Income tax Liability of ₹92.82 lacs of A.Y.2010-11 for which the Company has preferred an appeal before the CIT (Appeal) Ahmedabad.

Disputed Income tax Liability of ₹27.66 lacs of A.Y.2011-12 for which the Company has preferred an appeal before the CIT (Appeal) Ahmedabad.

### 50. Derivative Instruments :-

The outstanding position of derivatives instruments as on March 31, 2014 NIL

The details of foreign currency exposures those are not hedged by a derivate instrument i.e. forward contract are as under:

(₹ in Lacs)

Nature	As at March 31, 2014		As at March 31, 2013	
	Amount	Foreign Currency	Amount	Foreign Currency
	(₹ in Lacs)	(in Lacs)	(₹ in Lacs)	(in Lacs)
Buyer's Credit	1408.49	EURO 904.99 USD 503.49	3615.16	EURO 16.58 USD 45.38
Foreign Currency Loan	132.74	USD 2.21	1607.42	USD 29.61

The forex exposure is 100% naturally hedge against our Export Receivable.

In terms of our report of even date attached

**A. L. Thakkar & Co.**

Chartered Accountants

FRN: 120116W

[Sanjiv V. Shah]

Partner

Membership No. 42264

Place : Ahmedabad

Date : May 29, 2014

**Renuka Upadhyay**

Company Secretary

For and on behalf of

**ASIAN GRANITO INDIA LIMITED**

[Kamleshbhai B. Patel]

Chairman & Managing Director

[Mukeshbhai J. Patel]

Managing Director

Place : Ahmedabad

Date : May 29, 2014









# ASIAN GRANITO INDIA LIMITED

Asian Granito India Ltd. CIN: L17110GJ1995PLC027025

Regd. Office: 202, Dev Arc, Opposite Iscon Temple, S.G. Highway, Ahmedabad – 380 015

T: +91 79 66125500/698 F: +91 79 66125600/66058672

Email: info@aglasiangranito.com Website: www.aglasiangranito.com

## ATTENDANCE SLIP

I/we hereby record my/our presence at the **19th Annual General Meeting** of the company held on 30th September, 2014 at 2.30 p.m. at AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

DP ID	
Client ID	

Master Folio No.	
No. of Share(s) Held	

Name of the Share holder .....

(Signature)

Name of the Proxy .....  
(In Block Letters)

(Signature)

### Note:

1. Please fill the Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING
2. Electronic copy of the Annual Report for 2014 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form are being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Persons attending the Annual General Meeting are requested to bring their copies of Annual Report

Member's / Proxy's Signature

(To be signed at the time of handing over this slip)



# ASIAN GRANITO INDIA LIMITED

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Regd. Office: 202, Dev Arc, Opposite Iscon Temple, S.G. Highway, Ahmedabad – 380 015

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## FORM NO. MGT-11

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

DP ID	
Client ID	

Master Folio No.	
No. of Share(s) Held	

I/We..... R/o .....having email id .....

being the member(s) and having..... shares of the above named company, hereby appoint.....

R/o.....having email id .....or failing him/her.....

R/o..... having email id .....or failing him/her.....

R/o.....having email id ..... as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the

**19th Annual General Meeting** of the company, to be held on the 30th September, 2014 at 2.30 p.m. at AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

P.T.O.





\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution		For	Against
1	To receive, consider and adopt the standalone and consolidated financial statements which includes the Audited Balance Sheet as at 31st March, 2014 and the audited Statement of Profit and Loss for the year ended on that date and the Cash Flow statement together with the Report of Directors and Auditors thereon.		
2	To appoint a Director in place of Mr. Sureshbhai Patel (holding DIN: 00233565), who retires by rotation and being eligible offers himself for re – appointment.		
3	To re-appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration		
4	To authorize Board of Directors to Borrow the funds		
5	To authorize Board of Directors to mortgage and/or charge the immovable and movable properties of the Company		
6	Appointment of Dr. Indira Nityanandam as Independent Director		
7	Appointment of Mr. Maganlal Prajapati as Independent Director		
8	Appointment of Mr. Shankerlal Patel as Independent Director		
9	Appointment of Mr. Premjibhai Ramjibhai Chaudhari as Independent Director		
10	Appointment of Mr. Amrutbhai Patel as Independent Director		
11	Appointment of Mr. Ajendrabhai Patel as Independent Director		
12	Re-appointment of Mr. Kamleshbhai Bhagubhai Patel as Chairman & Managing Director of the Company		
13	Re-appointment of Mr. Mukeshbhai Jivabhai Patel as Managing Director of the Company		
14	To alter Articles of Association		
15	To approve appointment of the Cost Auditor		

Signed this..... day of..... 2014

Signature of shareholder:.....

Signature of Proxy holder(s): (1)..... (2)..... (3).....

Affix  
Revenue  
Stamp here

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Nineteenth Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

# Corporate information

## BOARD OF DIRECTORS

Mr. Kamleshbhai Patel	(Chairman & Managing Director)
Mr. Mukeshbhai Patel	(Managing Director)
Mr. Sureshbhai Patel	(Director)
Mr. Bhaveshbhai Patel	(Director)
Mr. Kanubhai Patel	(Director)
Mr. Bhogibhai Patel	(Director)
Mr. Maganlal Prajapati	(Independent Director)
Mr. Shankarlal Patel	(Independent Director)
Mr. Ajendrakumar Patel	(Independent Director)
Mr. Amrutbhai Patel	(Independent Director)
Mr. Premjibhai Chaudhari	(Independent Director)
Dr. Indira Nityanandam	(Independent Director)
Mr. Kalidas J. Patel	(Chief Financial Officer)
Mrs. Renuka A. Upadhyay	(Company Secretary)

## AUDIT COMMITTEE

Mr. Maganlal Prajapati	Chairman
Mr. Amrutbhai Patel	Member
Mr. Kamleshbhai Patel	Member

## NOMINATION AND REMUNERATION COMMITTEE

Mr. Maganlal Prajapati	Chairman
Mr. Ajendrabhai Patel	Member
Mr. Shankarlal Patel	Member

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Maganlal Prajapati	Chairman
Mr. Kamleshbhai Patel	Member
Mr. Amrutbhai Patel	Member

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Dr. Indira Nityanandam	Chairperson
Mr. Kamleshbhai Patel	Member
Mr. Mukeshbhai Patel	Member

## BANKERS

State Bank of India  
HDFC Bank  
IDBI Bank

## REGISTERED & CORPORATE OFFICE

202, Dev Arc, Opp. Iskon Temple,  
Sarkhej Gandhinagar Highway,  
Ahmedabad – 380 015  
**CIN No.** L17110GJ1995PLC027025

## FACTORY OFFICE

- 1 Ceramic Zone, Katwad Road, At & Po. Dalpur,  
Tal. Prantij 383 120 Dist. Sabarkantha.
2. Behind Sardar Plant, Idar.

## SUBSIDIARY

AGL Industries Limited

## REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (W), Mumbai- 400078.

## AUDITORS

M/s. A. L. Thakkar & Co.  
Chartered Accountants  
Ahmedabad

## SHARES LISTED AT

National Stock Exchange Ltd.  
The Bombay Stock Exchange Limited

## KEY TECHNICAL PERSONS

Mr. B. G. Pattanshetty	General Manager (Vitrified Tiles)
Mr. K. N. Reddy	General Manager (Wall Tiles)
Mr. Arvind Kumar	Technical Advisor
Mr. S. S. Goriya	Deputy General Manager (R&D)
Mr. Manoj Chaturvedi	Production Manager (Marble)

## KEY PROFESSIONAL PERSONS

Mr. B. G. Vyas	Chief Operating Officer
Mr. B. M. Singhal	Sr. Vice President (Marble)
CA Arvind Bansal	General Manager (Finance and Commercial)
Mr. Akhilesh Upadhyay	General Manager (Corporate HR and Administration)
Mr. Kapil Saini	Deputy General Manager (Marketing)
Dr. Dhruvi Trivedi (CS)	Manager (Legal)
CA Niraj Thakore	Internal Auditor



**Asian Granito India Ltd.**

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Sarkhej Gandhinagar Highway,  
Ahmedabad – 380 015, Gujarat, India.

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AGL ASIAN GRANITO INDIA LTD.

**Regd. & Corp. Office:**

202, Dev Arc, Opp. Iskon Temple, S. G. Highway,

Ahmedabad-380015. Gujarat, India.

Tel.: +91 79 66125500/698,

Fax: +91 79 66125600/66058672

info@aglasiangranito.com • www.aglasiangranito.com



Date: 08.09.2014

To,  
Corporate Relations Department,  
Bombay Stock Exchange Limited,  
2<sup>nd</sup> Floor, P.J Towers,  
Dalal Street,  
Mumbai-400 001

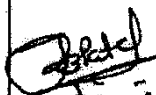
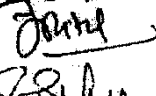
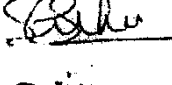
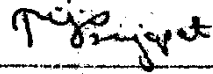
To,  
Corporate Relations Department  
National Stock Exchange of India Ltd.  
Exchange Plaza,  
Plot No., C/1, G-Block,  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai - 400 051

**Scrip Code: 532888**

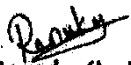
**Scrip Code: ASIANTILBS**

Dear Sir,

**Subject: Form A ( Pursuant to clause 31(a) of the Listing Agreement)**

1	Name of the Company	Asian Granito India Limited
2	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
3	Type of observations	Un-Qualified
4	Frequency of observation	Once
5	To be signed by-	
	➤ Chairman and Managing Director	
	➤ Chief Financial Officer	
	➤ Auditor of the Company	
	➤ Audit Committee Chairman	

For Asian Granito India Limited

  
Renuka A. Upadhyay  
Company Secretary