Asian Granito India Ltd.

Annual Report : 2009-2010

asian
TILES WORLD

Chairman's Message

Dear Shareowners,

On behalf of **Asian Parivar**, it gives great pleasure to share my dream with you. Asian Granito India ltd- a dream to beautifying lifestyles. It was a modest beginning when we started our operation in 2001 with a unit named Asian Tiles Limited at Idar. Today when we look back with 5 well equipped plant, more than 18 depots, strength of more than 4000 Business Associates & 19 Asian Tiles World-Showrooms till date, it gives us a sense of satisfaction and joy that in this journey of beautifying lifestyles, we have surpassed many milestones and are poised to achieve many more. This has become possible only because of our trustworthy shareholders, committed employees, dealers, satisfied customers who showed faith in our dreams.

Ever since our inception, our benchmark in adherence to quality in whatever we do. This important attribute has helped us to reach where we are today. **We introducing new age technology digital printing on tiles namely Grestek nxt brand. We have also started new product namely Quartz in composite marble segment.**

It is our aim that in future also, the flame of innovation fuelled by excellent quality and advancement will burn more brightly and guide us to serve our customers more ardently.

With best wishes

Sincerely,

Kamlesh Patel
Chairman

CORPORATE INFORMATION

BOARD OF DIRECTORS

Kamleshbhai Patel	*Chairman cum Managing Director*
Hasmukhbhai Patel	*Managing Director*
Mukeshbhai Patel	*Director*
Rameshbhai Patel	*Director*
Maganlal Prajapati	*Director*
Maheshchander Julka	*Director*
Shankarlal Patel	*Director*
Ajendrakumar Patel	*Director*

COMPANY SECRETARY

Jigar H. Shah

AUDIT COMMITTEE

Maganlal Prajapati	*Chairman*
Maheshchander Julka	*Member*
Hasmukhbhai Patel	*Member*

REMUNERATION COMMITTEE

Maganlal Prajapati	*Chairman*
Maheshchander Julka	*Member*
Shankarlal Patel	*Member*

SHAREHOLDERS' GRIEVANCE COMMITTEE

Maganlal Prajapati	*Chairman*
Maheshchander Julka	*Member*
Hasmukhbhai Patel	*Member*

AUDITORS

A.L. Thakkar & Co.
Chartered Accountants
Ahmedabad.

BANKERS

State Bank of India
Commercial Branch,
Ahmedabad.

Bank of Baroda
Navrangpura Branch,
Ahmedabad.

REGISTERED & CORPORATE OFFICE

202, Devarc, Opp. Iskon Temple,
Sarkhej Gandhinagar Highway,
Ahmedabad - 380015.

WORKS

Ceramic Zone, Katwad Road,
At & Po. Dalpur, Taluka Prantij 383 120,
Dist. Sabarkantha.

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W),Mumbai- 400 078.

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NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the Members of **ASIAN GRANITO INDIA LIMITED** will be held on 25th day of September, 2010 at AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380015 at 11.00 a.m. to transact the following business:

Ordinary business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Audited Profit & Loss Account for the year ended on that date together with the Report of Directors and Auditors thereon.

2. To declare a dividend on Equity Shares.

3. To appoint a Director in place of Shri Kamleshbhai Patel, who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint a Director in place of Shri Ajendrabhai Patel, who retires by rotation and being eligible offers himself for re-appointment.

5. To appoint a Director in place of Shri Shankarbhai Patel, who retires by rotation and being eligible offers himself for re-appointment.

6. To appoint Auditors 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 and to pass the following resolution :

   "RESOLVED THAT pursuant to the provision of Section 224 and other applicable provisions, if any, of the Companies act, 1956, M/s. A.L. Thakkar & Co., Chartered Accountants, be and are hereby re-appointed as statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the Conclusion of the next Annual General Meeting on such remuneration (including terms of payment) as may be determined by the Board of Directors, based on recommendation of the Audit Committee, in connection with the audit of accounts of the Company for the year ending on March 31, 2011."

Registered office & Corporate Office:
202, Dev Arc, Opp. Iskon Temple,
Sarkhej Gandhinagar Highway,
Ahmedabad 380015
Date : 29.07.2010

By Order of the Board of Directors

Jigar H. Shah
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY (IES) 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.**

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 Saturday, 18th September, 2010 to 25th day of September, 2010 (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 Pvt. Limited, 211, Sudarshan Complex, Near Mithakhali Under bridge, Navrangpura, Ahmedabad – 380 009.

4. The Dividend, as recommended by the Board of Directors of the Company for the year ended March 31, 2010, if declared at the Annual General Meeting, will be payable on or after September 25, 2010, to those Members whose names stand on the Register of Members.

   (i) as Beneficial Owners as at the end of business hours on September 17, 2010 as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of Shares held in dematerialized from.

(ii) as Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company on or before September 17, 2010.

5. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their Bank details, ECS Mandates, Nominations, Power of Attorney, Change of Name/Address etc. to their respective Depository Participant ("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.

6. Pursuant to the provision of Section 205C of the Companies Act, 1956 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 who have not yet encashed their dividend warrant(s) for the financial year ended March 31. 2008 are requested to submit their claims to the Registrar and Transfer Agent of the Company without any delay.

7. 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.

8. 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 furnished in the Corporate Governance Section of this Annual Report.

9. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company at least 7 days before the date of Meeting to enable the Company to keep the information ready at the Meeting.

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Sarkhej Gandhinagar Highway,
Ahmedabad 380015
Date : 29.07.2010

By Order of the Board of Directors

Jigar H. Shah
Company Secretary

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 15th Annual Report and audited accounts of the Company for the year ended 31st March, 2010.

Financial Results :

The performance of the Company for the financial year ended 31st March, 2010 is summarized below:

(Rs. in Lacs)

Particulars	2009-2010	2008-2009
Sales & Other Income	43470.65	35327.68
Increase/ (Decrease) in Stock	904.34	2180.86
Wind Power Plant Electricity Generation Income	87.85	98.16
Expenditure	39404.90	31970.07
Profit/(Loss) Before Interest & Depreciation	5057.94	5636.63
Less: Interest & Financial Expenses	955.53	1140.83
Less: Depreciation	1519.53	1093.41
Profit Before Tax	2582.88	3402.39
Less: Provision for current tax	420.80	641.00
Provision for deferred tax	258.18	252.71
Provision for fringe benefit tax	0.00	25.64
Less/ Add:(Excess)/short provision of I.T. w/back	0.00	(18.31)
Profit after tax	1903.90	2501.35
Add: Balance Brought Forward	9275.85	6096.17
Less: Earlier year depreciation w/off	0.00	221.25
Amount available for appropriation		
Balance carried to Balance Sheet	11179.75	8376.27
Add : On Amalgamation	0.00	899.58
Appropriation:	11179.75	9275.85
Proposed Dividend on Equity shares	210.61	0
Corporate Tax on Dividend on Equity Shares	35.79	0
Balance Carried To Balance Sheet	10933.35	9275.85

Dividend :

Your Directors recommend payment of Dividend at the rate of Re.1/- each per Equity Share for the year ended on March 31, 2010 on 2,10,61,291 equity shares of Rs.10/- each

Results of Operations:

During the year the Company has started new Division called Agro Tech Division. The sales & other Income of the Company increased to Rs.43470.65 Lacs as compared to Rs.35327.68 Lacs in last year, registering a growth of 18.73%. The Profit for the year amounted to Rs.1903.90 lacs as compared to Rs. 2501.35 lacs in last year.

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

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.

Fixed Deposits:

The Company has complied with the provisions of section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules 1975 with regard to the deposits accepted from the public.

Particulars of Conservation of Energy etc.:

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.

Particulars of Employees :

Provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company, since none of the employees of the Company was in receipt of total remuneration of Rs.24,00,000/- p.a. or Rs.2,00,000/- p.m. during the financial year under review.

Board of Directors:

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Kamleshbhai Patel, Shri Ajendrabhai Patel and Shri Shankarlal Patel Directors of the Company, retire from the Board by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

Directors' Responsibility Statement:

Pursuant to Section 217(2AA) of Companies Act, 1956 your 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.

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.

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 re-appointment and fixing the remuneration of them.

Industrial Relations :

The industrial relations with employees remained cordial through out 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 co-operation received from the Company's valued customers, members, various department of Central & 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. Iskon Temple,
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Ahmedabad 380015
Date : 29.07.2010

For and on behalf of the Board of Directors

Kamleshbhai Patel
Chairman & Managing Director

Hasmukhbhai Patel
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:

1) Energy Conversation 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 upgradation of plant and machinery.

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

FORM 'A'

	Financial Year	
A. POWER AND FUEL CONSUMPTION	2009-10	2008-09
I) Electricity		
a) Purchased Unit (in H.P./ K.W.H.)	420.46	367.30
Total Amount (Rs. in Lacs)*	2640.45	2161.87
Rate per unit (Amount/Units) Rs.	6.28	5.89
b) Own Generation		
(i) Through D.G. Set/ Liquid Fuel/Gas Generator		
Units (In H.P./K.W.H.)	4.53	10.88
Total Amount (Rs. in Lacs)	73.71	177.46
Rate per unit (Amount/Units) Rs.	16.26	16.31
(ii) Through Other (specify)		
Units (In H.P./K.W.H.)	Nil	Nil
Total Amount (Rs. in Lacs)	Nil	Nil
Rate per unit (Amount/Units) Rs.	Nil	Nil
II) Fuel Consumption		
1. Light Diesel Oil (L.D.O.)/Coal/Kerosene		
Quantity in Ltres/ LKgs.	1.87	4.50
Total Amount (Rs. in Lacs)**	73.71	177.46
Cost Per Unit (Total Amount/Quantity)	39.32	39.43
2. L.P.G./Natural Gas		
Quantity in Ltres/ LKgs.	198.03	208.72
Total Amount (Rs. in Lacs)	3078.70	4501.97
Cost Per Unit (Total Amount/Quantity)	15.55	21.57
3. Other (specify)		
Quantity in Ltres/ LKgs.	307.53	158.77
Total Amount (Rs. in Lacs)	1320.22	787.61
Cost Per Unit (Total Amount/Quantity)	4.29	4.96

ANNEXURE TO THE DIRECTORS REPORT

B.	CONSUMPTION PER UNIT OF PRODUCTION	Financial Year 2009-10	2008-09
1.	Electricity (Units per Sq. Mtr.)	6.28	5.89
	Electricity (Rupees per Sq. Mtrs.)	24.24	24.88
2.	L.D.O./ Coal/ Kerosene (Units per Sq. Mtr.Production)	3.90	4.35
	L.D.O./ Coal/ Kerosene (Rupees per Sq. Mtr. Production)	63.44	70.97
3.	L.P.G./ Natural Gas(Qty. Per Sq. Mtr. Production)	15.55	21.57
	L.P.G./ Natural Gas(Rupees Per Sq. Mtr. Production)	28.80	51.81
4.	Other	Nil	Nil

* It excludes electricity consumed of Rs.12.14 lacs in agrotech division (i.e. Not for production activities)

** It excludes diesel consumed of Rs.2.72 Lacs in agrotech division (i.e. Not for production activities)

2) TECHNOLOGY ABSORPTION:

a) **Research and Development**: The Company has a continuous on going 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 institutated 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:**

New Design and larger format Tiles have enabled the Company to be more competitive in the market. Benefits from quality improvements give the Company better realization as more of the products goes to first grade. 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 send its personnel to China for training of latest technology plant.

3) FOREIGN EXCHANGE EARNINGS / OUTGO

(Rs. in lacs)

Particulars	2009-10	2008-09
Foreign Exchange Earned:		
Export of Goods on FOB Basis	607.78	88.49
Foreign Exchange Used:		
Foreign Traveling	32.09	12.60
Purchase of Capital Goods	1056.52	2035.57
Stores & Spares	650.09	814.72
Raw Materials	989.10	671.50
Marble Stone (Trading)	—	401.87
Vitrified Trading	27.94	—

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Date : 29.07.2010

For and on behalf of the Board of Directors

Kamleshbhai Patel
Chairman & Managing Director

Hasmukhbhai Patel
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

A INDUSTRY OVERVIEW

Tile Industry

Tiles have been used as paving or cladding material since ancient times. Records evidence that tiles were used to decorate the interiors of pyramids, indicating that the production of tiles was prevalent, among the Egyptians, in 5000 B.C. prior to the industrial revolution, glazed ceramic tiles were seen as a rich man's product and were reserved for palaces and sacred buildings. The production of such tiles was not only labour intensive but also expensive. Technological advances in the tile manufacturing industry, however, have revolutionised the manner of production of ceramic tiles. Such technological advances have lowered the cost of and reduced the time involved in, the production of ceramic tiles in addition to making it less labour intensive. Factors such as these have resulted in tiles becoming a more affordable commodity.

At present, tiles are an integral part of housing / commercial projects and the rapid development in tile manufacturing technology has enabled the production of more durable, long-lasting tiles in a variety of designs and sizes.

Characteristics of tiles

A ceramic tile is a mixture of clay and other minerals, which are shaped and fired under high temperatures to form a hard body, called Bisque. Different regions of the world produce their own unique type of clay with different combinations of hardness, colour, texture, etc. The raw materials provide strength and stability to the Bisque and the clay provides density. Glass may be fused into the Bisque by using intense heat. This process is called Glazing. A tile may also be left unglazed.

The Monocottura technology was another important development in the field of tile manufacturing. Monocottura in Italian means single-fired. This process shapes, fires and glazes tiles in one step. Tile manufacturing which required the tiles to be baked in kilns for days to achieve the desired results could, as a consequence of the Monocottura technology, be produced in less than an hour. This has in turn resulted in a significant decrease in the cost of production of tiles. The Monocottura tiles also have better density and glaze as compared to tiles produced by other methods.

The Monocottura process is distinguished from the Bicottura process since the latter requires clay to be 'fired' twice. The clay is 'fired' first following the layer of ceramic is glazed consequent upon further 'firing'. Tiles produced in this manner may be 'fired' several times, and are generally less durable as compared to tiles produced through the Monocottura process.

Types of Tiles

The word 'Ceramic Tiles' is a generic word which includes:

- Ceramic Floor tiles
- Unpolished vitrified tiles
- Polished vitrified tiles
- Porcelain tiles
- Ceramic Wall tiles
- Rustic tiles
- Double Feeder / Multicharge tiles

Ceramic tiles may be classified as glazed ceramic tiles and unglazed ceramic tiles. Glazed ceramic tiles may be plain or decorated and are generally used as both wall tiles and floor tiles. Unglazed ceramic floor tiles are more suited to commercial and industrial settings.

Floor tiles are generally thicker, larger and more porous when compared to wall tiles. Floor tiles are generally of three kinds:

B OPPORTUNITIES AND THREATS:-

The replacement market is growing rapidly as new tiling solutions are creating several new options for existing facilities. A large replacement and maintenance market is expected to emerge as the market matures, the quality of work improves and the time taken to fix the tiles is reduced. Increasing brand awareness amongst the consumers is also benefiting the manufacturers in the organized sector.

Entry barriers for ceramic tile industry:

The major entry barriers for the ceramic tile industry are the high capital costs involved and strong brand image.

Setting up a tile manufacturing unit is a highly capital intensive activity, where controlling costs is crucial for a successful operation. Further with the improvement in technology, manufacturing tiles has become more automated. The manufacturers need to continuously upgrade their technology in order to stay competitive.

Another requirement for success is the need for a strong brand image which involves focussing on building up the brand, dedication of the management and the collective effort of the entire marketing network.

Ceramic tiles are being promoted not only as a utility product but also as a lifestyle product with manufacturers boasting of a wide range of designs, colours, textures and surface effects. Manufacturers are turning out innovative designs to beat their competition. This includes tiles with a wood, leather and marble like finish.

The threats of the industry is substantially reduced due to following reasons -

- Sustainable reduction in cost of production due to:

  Large volume of production.

  Reduction in import cost of material due to having better substitute from local market.

  Major changes in Fuel consumption pattern.

  Reduction in excise duty from 55% to 10% at present.

C OUTLOOK AND PROSPECTS

The continuous and strong brand building done by the company has helped a lot for easy entry into any major market or segment. Simultaneous thrust on increase in distribution network by setting display houses at different key places across the country to make brand visible in more outlets, coupled with focus on key markets and key corporate builders are yielding growth. Your company will continue the same practice in the ensuring months and years.

The continuations efforts to improve quality and productivity with continuations research and development process for new innovative product to cater the needs of various people have put your company at par with the comparable international standard level and compatible with them.

Your company's growth continues to be above the industry growth year after year which is testimony to its marketing success as well as new innovative design and research and developments in our product.

D RISKS AND CONCERNS

Any drastic change in the Government policy may affect the ceramic manufacturers.

E INTERNAL CONTROL SYSTEM AND THE ADEQUACY

The company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assuarance that all assets are safeguarded, transactions are authorized, recorded & reported properly and to certain operating business risks, which is mitigated by regular monitoring and corrective actions.

The internal control system has been designed so as to ensure that the financial and other records are reliable and reflects a true and fair view of the state of the Company's business.

F FINANCIAL PERFORMANCE REVIEW

The financial performance of the Company as a whole is as under.

I Standalone performance

An analysis of standalone performance is given below:

(a) Physical Production

The production achieved is as under. **(In Sq Mtrs)**

Product	2009-10	2008-09
VITRIFIED TILES	4954673	4784889
WALL TILES	3549570	2032479
MARBLE	203644	182
CERAMIC	2196651	1872694
TOTAL	10904538	8690244

It will be seen that in physical terms, the Company has achieved 25.48 % growth in Financial Year 2009-2010 over the Financial Year 2008-09.

(b) **Sales Turnover** **(Rs.in Lacs)**

Particulars	2009-10	2008-09
Sales In India	42510.46	35003.52
Sales outside India	619.83	91.69
Total	43130.29	35095.20

It will be seen that total sales of the Company have increased by 22.89% over the Previous Financial Year.

(c) **Key Performance Indicators**

An analysis of the key indicators as percentage to sales is given below: **(Rs. In lacs)**

Sr No.	Particulars	2009-10	2008-09
1	GROSS SALES	43130.29	35095.20
2	RAW MATERIAL CONSUMPTION(INCLU. STORES,SPARES, & TRADING PURCHASE)	16902.90	11994.65
	% OF SALES	39.19%	34.18%
3	EMPLOYEE COST	1994.72	1659.62
	% OF SALES	4.62%	4.73%
4	OTHER EXPENDITURE	20712.59	18315.79
	% OF SALES	48.02%	52.19%
5	EBIDTA	4852.63	5636.63
	% OF SALES	11.25%	16.06%
6	INTEREST COST	750.22	1140.83
	% OF SALES	1.74%	3.25%
7	DEPRECIATION	1519.53	1093.40
	% OF SALES	3.52%	3.12%
8	PROFIT BEFOR TAX	2582.88	3402.40
	% OF SALES	5.99%	9.69%
9	PROFIT AFTER TAX	1903.90	2501.36
	% OF SALES	4.41%	7.13%

G INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT

The Company believes that human resource is the most important asset of the organization. During the year under review, your company continued its efforts to improve HR related processes, practices and systems to align these to the organizational objectives. Training and development of its employees is ensured through on the job.

The Company presently has 1468 employees on its roll and continues to attract excellent talent to further its business interest. Industrial Relations continue to be cordial.

Cautionary Statement

Statements made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities, laws & regulations. Actual results could differ 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 & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.

None of the Senior Management personnel have Financial and Commercial transactions with the Company, where they have personal interest that would / could emerge as potential conflict with the interest of the Company at large.

REPORT ON CORPORATE GOVERNANCE

1. **Philosophy:**

The Company's philosophy on Corporate Governance envisages the attainment of the high level of transparency and accountability in the functioning of the Company and the conduct of its business internally and externally, including its interaction with employees, shareholders, creditors, consumers and institutional and other lenders and places due emphasis on regulatory compliance.

Corporate Governance pertains to system, by which companies are directed and controlled, keeping in mind long-term interest of stakeholders. The principal characteristics of Corporate Governance are Transparency, Independence, Accountability, responsibility, Fairness and last but not least social responsibility.

The Company believes that its system and actions must be dovetailed for enhancing corporate performance and maximizing shareholders value in the long term.

2. **Board of Directors:**

(i) **Composition/ Category of Directors/ Attendance at Meetings/ Directorships & Committee Memberships in other Companies as on March 31, 2010:**

The Board consists of eight 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 2009-2010			Other Directorships/ Board Committees (Numbers)	
			Board Meeting	Last AGM	Directorships in Other Cos.	Committee membership	Committee Chairmanship
Mr. Kamleshbhai Patel	Promoter Executive Director	Chairman cum Managing Director	6	Yes	1	0	0
Mr. Hasmukhbhai Patel	Promoter Executive Director	Managing Director	7	Yes	0	0	0
Mr. Mukeshbhai Patel	Promoter Executive Director	Wholetime Director	5	Yes	0	0	0
Mr. Rameshbhai Patel	Promoter Executive Director	Wholetime Director	8	No	0	0	0
Mr. Maganlal Prajapati	Independent & Non-Executive Director	Director	8	No	0	0	0
Mr. Maheshchander Julka	Independent & Non- Executive Director	Director	4	No	1	0	0
Mr. Shankarlal Patel	Independent & Non-Executive Director	Director	7	No	0	0	0
Mr. Ajendrabhai Patel	Independent & Non-Executive Director	Director	8	No	0	0	0

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

The Board has held 8 Meetings during the Financial Year 2009-10 are as under:

Dates of Board Meeting			
April 29,2009	June 19,2009	July 31,2009	September 30,2009
October 30,2009	December 31,2009	January 27,2010	February 8,2010

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 & 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 292A of the Companies Act, 1956 as regards composition of Audit Committee.

The Committee has held five meetings during the financial year 2009-10 .i.e.April 29,2009, July 31,2009,September 30, 2009, October 30, 2009, January 27, 2010. The composition of the Audit Committee as on March 31, 2010 and the attendance of the members at the meeting of the Audit Committee held during the financial year 2009-10 were as follows:

Members of Audit Committee	No. of Meetings Attended
Mr. Maganlal Prajapati (Chairman)	5
Mr. Maheshchander Julka	4
Mr. Hasmukhbhai Patel	5

4. **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.

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

The Remuneration Committee presently consists of 3 independent Directors. The Committee has held one meeting during the financial year 2009-10 i.e. on April 29, 2010. The Composition of the Remuneration Committee as on March 31, 2010 and the attendance of the members at the meeting of the Remuneration Committee held during the financial year 2009-10 were as follows:

Members of Remuneration Committee	No. of Meetings Attended
Mr. Maganlal Prajapati (Chairman)	1
Mr. Maheshchander Julka	0
Mr. Shankarlal Patel	1

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, 1956 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 their attendance and willingly to take in the Board Meetings.

The Details of remuneration paid during the Financial Year 2009-10 are as under:

Name if Director	Sitting fees (Rs.)	Salary & Perquisites(Rs.)	Stock Option	Pension	Total(Rs.)
Mr. Kamleshbhai Patel	Nil	1200000	Nil	Nil	1200000
Mr. Hasmukhbhai Patel	Nil	1140000	Nil	Nil	1140000
Mr. Mukeshbhai Patel	Nil	1140000	Nil	Nil	1140000
Mr. Rameshbhai Patel	Nil	1140000	Nil	Nil	1140000
Mr. Maganlal Prajapati	25000	Nil	Nil	Nil	25000
Mr. Maheshchander Julka	20000	Nil	Nil	Nil	20000
Mr. Shankarlal Patel	25000	Nil	Nil	Nil	25000
Mr. Ajendrabhai Patel	25000	Nil	Nil	Nil	25000

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

The Board of Directors of the Company had set up a Shareholders/ Investors' Grievances Committee, which has been authorized 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 one meeting during the financial year 2009-10 i.e. 31.07.2009.The composition of the Shareholders Committee as on March 31, 2010 and the attendance of the members at the meeting of the Shareholders Committee held during the financial year 2009-10 were as follows:

Members of Shareholders Committee	No. of Meetings Attended
Mr. Maganlal Prajapati (Chairman)	01
Mr. Maheshchander Julka	01
Mr. Hasmukhbhai Patel	01

The Details of investors' complaints received and resolved during the financial year 2009-10 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
13	13	Nil

During the year ended 31st March, 2010, the Company received 13 Complaints and there are no complaints outstanding as on 31st March, 2010. Normally all the complaints are disposed of within 30 days.

6. **Details of General Body Meetings:**

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

Financial Year	Location	Date & Time
2006-2007	2nd Floor, City Mall, Nr. Rajpath Club, Sarkhej Gandhinagar Highway, Ahmedabad (Gujarat)	September 29, 200711.00 a.m.
2007-2008	Ahmedabad Textile Mills' Association, Ashram Road, Navrangpura, Ahmedabad - 380009(Gujarat)	September 27, 200811.00 a.m.
2008-2009	Ahmedabad Textile Mills' Association, Ashram Road, Navrangpura, Ahmedabad – 380009 (Gujarat)	November 30, 200911.00 a.m.

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

In last AGM the Company has passed two special resolutions regarding (1) Appointment of Bhogibhai B. Patel as a Manager Marketing and (2) Commencing new Agro Business. Except that 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 2009-10. As on date, the Company dose not has any proposal to pass any special resolution by way of postal ballot.

7. Disclosures:

a. Disclosures on materially significant related party transactions:

Transactions with the related parties are set out in Significant Accounting Polices and Notes on Accounts – Schedule 'U' forming part of the Annual Report.

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

c. 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.

d. Whistle Blower Policy and affirmation that no personnel have been denied access to the audit committee:

The Company has adopted Whistle Blower Policy. The employees of the Company have access to approach the Management on any issues relating to the Code of Conduct/ Business Ethics.

8. Means of Communication:

Quarterly Financial Results:

The quarterly/ half yearly annual financial results are published in The Economics Times, (English Daily and Gujarati Daily). The financial results are also placed on the Company's website namely www.asiangranito.com.

Official News Releases

The Company holds press analyst meets and makes necessary presentation, to apprise and make public the information relating to Company's working and future outlook.

9. General Shareholder Information:

I. Annual General Meeting

Date and Time : 25th September, 2010 at 11.00 a.m.

Venue : AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

II. Profile of Directors seeking re-appointment.

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

Kamleshbhai Patel

Mr. Kamelshbhai Patel, Age 40, is in the line of ceramic industries for more than 16 years. He did Bachelor in Business Administration from Sardar Patel University and he is the Chairman and Managing Director of our Company. He started his career with Kedia Cera Tile Private Limited in the year 1993 as a Director. In 1996, Than he promoted Kedia Industries, a partnership concern involved in the manufacturing of wall tiles. Subsequently, in 1999, he along with other promoters and few other persons promoted Asian Tiles Limited, previously our subsidiary which has been merged with our company. In 2003, he along with our other Promoters foresaw an untapped opportunity in the business of vitrified tiles which prompted them to set up a plant at Himmatnagar for manufacturing of the same. He is also in-charge of the marketing division of our Company comprising of a marketing network of more than 18 depots, more than 250 dealers and over 4000 business associates & 19 Asian Tiles World -Showrooms till date.

Directorships in other companies: Raj Infrabuild Pvt. Limited, Indian Council of Ceramic Tiles & Sanitary ware(ICCTAS),

Committee Memberships in other Companies: Nil

Shareholding in Asian Granito India Limited: 1888768 equity shares

Ajendra Patel

Mr. Ajendra Patel, Aged 37 years holds Degree in ceramic technology from Gujarat University. He is having experience of more than 17 years in the ceramic tiles industry. He is associated with Krishna Sales, Proprietary firm as proprietor since past 17 years.

Directorships in other Companies: Nil

Committee Memberships in other Companies: Nil

Shareholding in Asian Granito India Limited: Nil Equity Shares

Shankarlal Patel

Mr. Shankarlal Patel, Age 65 years holds Bachelor's Degree in arts with Economics from Gujarat University. He has worked with State Bank of India and has held several key positions in various capacities. Currently he is working as Business Facilitator of the state bank of India in sabarkantha District.

Directorships in other Companies: Nil

Committee Memberships in other Companies: Nil

Shareholding in Asian Granito India Limited: Nil Equity Shares

III. Financial Calendar (tentative)

Financial reporting for the quarter ending

June 30, 2009	:	Last Week of July, 2009
September 30, 2009	:	Last Week of October, 2009
December 31, 2009	:	Last Week of January, 2010
March 31, 2010	:	Last Week of April, 2010

IV. Book Closure Date:

The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 18th September, 2010 to Saturday, 25th September, 2010 (both days inclusive).

V. Registered Office:

Asian Granito India Limited

202, Dev Arc, Opp. Iskon Tample, Sarkhej Gandhinagar Highway, Ahmedabad – 380015

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 fee to both the stock exchanges where the Company's Equity Shares are listed.

National Stock Exchange of India Limited

Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai – 400051

Bombay Stock Exchange Limited

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 Parel, 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 & Share price performance in comparison to broad based indices :

Month	NSE PRICES(Rs)		NSE SENSEX		BSE PRICES (Rs)		BSE SENSEX	
	High	Low	High	Low	High	Low	High	Low
April	22.70	15.20	3517.25	2965.70	22.50	16.00	11492.10	9546.29
May	37.00	21.00	4509.40	3478.70	37.00	21.00	14930.54	11621.30
June	45.80	29.00	4693.20	4143.25	45.60	28.05	15600.30	14016.95
July	35.95	26.50	4669.75	3918.75	37.20	25.50	15732.81	13219.99
August	44.50	32.30	4743.75	4353.45	43.60	32.50	16002.46	14684.45
September	47.30	39.30	5087.60	4576.60	46.60	41.00	17142.52	15356.72
October	74.65	42.00	5181.95	4687.50	74.00	42.00	17493.17	15805.20
November	62.90	47.25	5138.00	4538.50	59.40	47.50	17290.48	15330.56
December	56.90	52.25	5221.85	4943.95	57.00	51.75	17530.94	16577.78
January	63.70	53.00	5310.85	4766.00	62.50	53.00	17790.33	15982.08
February	59.00	53.10	4929.70	4675.40	59.00	54.00	16669.25	15651.99
March	71.90	55.00	5329.55	4935.35	70.80	55.15	17793.01	16438.45

(Source: NSE & BSE websites)

IX. Registrar and Share Transfer Agents:

Link Intime India Pvt. Limited,
C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai – 400 078.
E-mail Address: mumbai@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 correspondence on change of address mandates etc. are processed by the Registrar within 30 days.

XI. Distribution of Shareholding:

	As on 31 March, 2010			
No. of EquityShares held	No. of Shareholders	% of Shareholders	Total No. of Sharesheld	% of Shareholding
1 – 500	5524	88.8390	722358	3.4300
501 – 1000	246	3.9560	207245	0.9840
1001 – 2000	147	2.3640	228111	1.0830
2001 – 3000	60	0.9650	161123	0.7650
3001 – 4000	22	0.3540	79326	0.3770
4001 – 5000	21	0.3380	103007	0.4890
5001 – 10000	44	0.7080	346318	1.6440
10001 andAbove	154	2.4770	19213803	91.2280
TOTAL	**6218**	**100.00**	**21061291**	**100.00**

Categories of Shareholding (as on 31 March, 2010):

Category of Holder	No. of Shares	% of Equity
Promoters / Person acting in concert	7371195	34.9988
Clearing Member	67792	0.3219
Other Bodies Corporate	4054245	19.2497
Indian Public	9253748	43.9372
Hindu Undivided Family	289000	1.3722
Non Resident (Non Repatriable)	3791	0.0180
Non Resident Indians	21520	0.1022
TOTAL	21061291	100.00

XII. Dematerialization of Shares and Liquidity:

The equity shares of the Company are available under dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's equity shares are compulsorily traded in dematerialized form. The ISIN No. of the Company is INE022I01019.

As on March 31, 2010, 18440358 Equity Shares of the Company have been dematerialised representing 87.56% 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
Ceramic Zone, Katwad Road,
At & Po. Dalpur, Taluka Prantij 383 120, Dist. Sabarkantha.

(2) Asian Granito India Limited
B/h. Sardar Plant, 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
211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad – 380 009.
E-mail: ahmedabad@linkintime.co.in

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

Jigar H. Shah
Company Secretary & Legal Head
Asian Granito India Limited
202, Dev Arc, Opp. Iskon Tample, Sarkhej Gandhinagar Highway, Ahmedabad – 380015 E-mail: cs@asiangranito.com
Phone No. : 079 - 66125500/698/699 Fax No. : 079 - 66058672/66125600

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To the Members of

1. We have reviewed the compliance of conditions of Corporate Governance by (the Company) during the year ended **31st March, 2010** 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, 2009 complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement(s) 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 Accountants
(FRN: 120116W)

(Sanjeev Shah)
Partner
Mem.No. 42264

Place : Ahmedabad
Date : 29th July 2010

AUDITORS' REPORT

To
The Members
ASIAN GRANITO INDIA LIMITED
AHMEDABAD.

1. We have audited the attached Balance Sheet of **ASIAN GRANITO INDIA LIMITED** as at 31st March 2010, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 and Companies (Auditors Report) (Amendment) order 2004 thereon issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that;

   i. 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.

   ii. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;

   iii. The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   iv. In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with this Report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;

   v. On the basis of written representations received from the Directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956;

   vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, given the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.

      (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.

      (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date.

      (c) 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)

(Sanjeev Shah)
Partner
Mem.No. 42264

Place : Ahmedabad
Date : 29th July 2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) Majority of the assets has been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) During the year, the company has not disposed off any major part of the Fixed Assets.

(ii) (a) The inventory has been physically verified during the year by the management except for inventories lying with third parties & branches where confirmations have been received. In our opinion, the frequency of verification is reasonable.

(b) 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) On the basis of our examination of the records of the company, we are of the opinion that the Company is maintaining proper records of stock except stores & consumables.

(iii) (a) There are no companies, firms and parties covered in the register maintained under Section 301 of the Companies Act, 1956 to whom the Company has granted unsecured loans. Hence the provision of this clause (a), (b), (c), and (d) is not applicable.

(b) The Company had taken unsecured loans from six parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year as Rs. 4,75,974/- and the year end balance of loans taken from such parties was Rs 3,01,858/-.

(C) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 of he companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.

(d) We have been informed that the said loans are repayable on demand. The company is regular in paying the interest.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weaknesses have been noticed in the internal controls.

(v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contract or arrangement have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

(vi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vii) The Company has appointed a firm of Chartered Accountants as its Internal Auditor for the year under review. The Internal Audit for the year is therefore carried out by the said firm. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

(viii) The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956. Hence the provision of this clause is not applicable to the company.

(ix) (a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Wealth

Tax, Service tax, Custom Duty, Excise Duty, Cess and other Statutory Duties applicable to it. There were no undisputed statutory dues as at the year end, outstanding 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 and income tax which have not been deposited by the company are as follows.

Name of the Statute	Nature of the dues	AmountRs.	Period to which the amount relates	Forum where dispute is pending
Sales Tax	Sales Tax	4507857	2003-04	Joi.comm.Tax comi..Appeals
Sales Tax	Sales Tax	1962743	2004-05	Joi.comm.Tax comi..Appeals
Income Tax Act,1961	Income Tax	6237221	2004-05 to 2008-09	Income Tax Appellate Tribunal

(x) The company does not have any accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xi) 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 the banks.

(xii) The company has not granted any loans against security by way of pledge of shares, debentures and other securities.

(xiii) The company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of this clause of the Companies (Auditor’s Report) Order, 2003 are not applicable to the company.

(xiv) 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.

(xv) According to the information & explanation given to us, the company has not given any guarantees for loans taken by others from bank or financial institutions hence the provision of this clause are not applicable to the Company.

(xvi) To the best of our knowledge and belief and according to the information and explanation given to us, in our opinion, term loans availed by the Company were, prima facie, applied by the Company during the year for the purpose for which the loans were obtained.

(xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no significant funds raised on short-term basis have been used for long-term investment by the company.

(xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956 hence we do not have any comments under this Para.

(xix) During the period covered by our audit report, the company has not issued any secured debentures. Accordingly, the provision of clause (xix) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

(xx) The company has not raised money by public issue during the year hence any specific comments up on the disclosure of end use is not applicable to the company.

(xxi) To the best of our Knowledge and belief, and according to the information and explanation given to us, no frauds on or by the company was noticed or reported during the year.

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

(Sanjeev Shah)
Partner
Mem.No. 42264

Place : Ahmedabad
Date : 29th July 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in Lacs)

PARTICULARS	SCH.	As At 31/03/2010	As At 31/03/2009
I. SOURCES OF FUNDS			
[1] Share holders Funds:			
(a) Share Capital	A	2,106.13	2,106.13
(b) Reserve & Surplus	B	18,527.85	16,870.35
		20,633.98	18,976.48
[2] Loan Funds:			
(a) Secured Loans	C	13,707.95	10,097.81
(b) Unsecured Loans	D	3.89	853.59
		13,711.84	10,951.40
[3] Deferred Tax Liabilities.(Net) (Refer Note No. xii)	E	1,441.88	1,183.70
Total		35,787.70	31,111.58
II. APPLICATION OF FUNDS			
[1] Fixed Assets	F		
(a) Gross Block		23,451.84	19,049.06
(b) Depreciation		4,818.63	3,307.80
(c) Net Block		18,633.21	15,741.26
(d) Capital W.I.P.		5.70	-
[2] Investments	G	5.00	5.00
[3] Current Assets, Loans and Advances :			
(a) Inventories	H	11,087.76	8,974.35
(b) Sundry Debtors	I	6,446.12	5,133.48
(c) Cash & Bank Balances	J	2,172.83	1,230.71
(d) Loans & Advances	K	4,329.36	4,140.17
		24,036.07	19,478.71
Less: Current Liabilities and provisions	L		
a) Current Liabilities		4,790.93	2,725.28
b) Provisions		2,628.61	1,938.13
		7,419.54	4,663.41
Net Current Assets		16,616.53	14,815.30
[4] Miscellanous Expenditure (To the extent not written off or adjusted)	M	527.26	550.02
Total		35,787.70	31,111.58
Significant Accounting Policies	U		
Notes forming Part of Accounts	V		

Schedules referred to above forming part of the Accounts
As per our audit Report of even date
A. L. Thakkar & Co.
Chartered Accountants
FRN : 120116W
Sanjiv Shah
Partner
M.No. 42264
Place : Ahmedabad
Date : 29th July, 2010

Jigar H. Shah
Company Secretary

For and on behalf of
Asian Granito India Limited

Kamleshbhai B. Patel ***Chairman & Managing Director***

Hasmukhbhai D. Patel ***Managing Director***

Place : Ahmedabad
Date : 29th July, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

(Rs. in Lacs)

PARTICULARS	SCH.	2009-2010	2008-2009
INCOME :			
Sales		43,130.29	35,095.20
Other Income	N	340.36	232.48
Increase in Stock	O	904.34	2,180.86
Wind Power Plant Electricity Generation Income		87.85	98.16
Total		44,462.84	37,606.70
EXPENDITURE :			
Trading Purchase		4,264.18	2,170.52
Cost of Materials consumed	P	11,328.85	8,143.48
Manufacturing Expenses	Q	10,990.26	11,144.49
Admin.Selling & Other Expenses	R	10,695.48	8,720.54
Employees Emoluments	S	1,994.72	1,659.63
Interest & Finance Charges	T	955.53	1,140.83
Preliminary exp. W/off	M	131.41	131.41
Depreciation	F	1,519.53	1,093.41
Total		41,879.96	34,204.31
PROFIT BEFORE TAX		2,582.88	3,402.39
Tax Provisions - Current Tax		420.80	641.00
- Deferred Tax		258.18	252.71
- Fringe benefit Tax		—	25.64
		1,903.90	2,483.04
Add : Excess / (Short) provision of Tax. W/Back		—	18.31
PROFIT AFTER TAX		1,903.90	2,501.35
Add : Brought forward from last year		9,275.85	6,096.17
Less : Earlier Year Depreciation W/off		—	(221.25)
PROFIT AVAILABLE FOR APPROPRIATIONS :		11,179.75	8,376.27
Add : On Amalgamation		—	899.58
Appropriations :			
Proposed Dividend on Equity Shares		210.61	—
Corporate Tax on Dividend on Equity Shares		35.79	—
Balance carried to Balance Sheet		10,933.35	9,275.85
Basic & Diluted Earning Per Share [Sch. " V " No.3 (ii)]		9.04	11.88
Significant Accounting Policies	U		
Notes forming Part of Accounts	V		

Schedules referred to above forming part of the Accounts
As per our audit Report of even date
A. L. Thakkar & Co.
Chartered Accountants
FRN : 120116W
Sanjiv Shah
Partner
M.No. 42264
Place : Ahmedabad
Date : 29th July, 2010

Jigar H. Shah
Company Secretary

For and on behalf of
Asian Granito India Limited

Kamleshbhai B. Patel ***Chairman & Managing Director***

Hasmukhbhai D. Patel ***Managing Director***

Place : Ahmedabad
Date : 29th July, 2010

SCHEDULES FORMING PART OF BALANCE SHEET

(Rs. in Lacs)

PARTICULARS	As at 31/03/2010	As at 31/03/2009
SCHEDULE [A] **SHARE CAPITAL**		
Authorised :		
3,12,50,000(P.Y. 3,12,50,000) Eq.Shares of 10/- each	3,125.00	3,125.00
Issued,Subscribed and Paid up.:		
2,10,61,291 Equite Shares of Rs. 10/- each fully paid up (Out of Which 1,40,61,291 equity shares have been issued otherwise than in cash)	2,106.13	2,106.13
Total (A)	2,106.13	2,106.13
SCHEDULE [B] **RESERVE & SURPLUS**		
(I) **Capital Reserve**		
Add : On Amalgamation	—	—
(II) **Share Premium Account**	6,704.50	6,649.33
Add : On Amalgamation	—	55.17
	6,704.50	6,704.50
(III) **General Reserve**	890.00	890.00
(IV) **Profit and Loss Account**	10,933.35	9,275.85
	10,933.35	9,275.85
Total (B)	18,527.85	16,870.35
SCHEDULE [C] **SECURED LOANS**		
Borrowings from Banks :		
State Bank of India Term Loan - Rupee	1,651.28	2,869.27
State Bank of India Term Loan - Foreign Currency	2,125.52	—
State Bank of India Term Loan - Buyers Credit	1,507.80	562.86
[Exclusive charge over entire fixed assets (present & future) including EM over Factory Land and Building of the company and charge over Current Assets of the Company and personal guarantee of four promoter Directors]		
Bank Of Baroda Term Loan - Rupee	187.86	277.21
(Term Loan Secured Againt Equitable Mortgage of Land & Building & Hypothication of Imported & Indigineous plant & Machinery and personal guarantee of non-independent directors)		
State Bank of India Cash Credit - Rupee	2,860.70	5,666.67
State Bank of India Cash Credit - Foreign Currency	4,912.60	—
[Hypothecation of entire stock and Book-debts and the EM of factory Land & Building of the company and charge over entire fixed assets of the company and pesonal guarantee of four promoter Directors)		

(Rs. in Lacs)

PARTICULARS	As at 31/03/2010	As at 31/03/2009
SCHEDULE [C] **SECURED LOANS - Contd...**		
Bank of Baroda Cash Credit - Rupee	(47.57)	699.40
Bank of Baroda Cash Credit - Foreign Currency	500.00	—
(Both Secured Against Equitable Mortgage of Land & Building and Hypothication of Inventory & book Debts)		
Borrowing from Financial Institutions:		
HDFC Bank Limited (Hypothication of BMW Motorcar)	9.00	17.25
HDFC Bank Limited (Hypothication of INNOVA Motorcar)	0.76	3.61
HDFC Bank Ltd. (Hypothication of ELENTRA Motorcar)	—	1.25
ICICI Bank Ltd (Hypothication of INDICA Motorcar)	—	0.29
Total (C)	13,707.95	10,097.81
SCHEDULE [D] **UNSECURED LOANS**		
Borrowings:		
From Directors	0.01	1.76
From Shareholders	3.01	3.01
From Bank - Buyers Credit	—	841.44
From Bank	—	6.56
Intercorporate	0.87	0.82
Total (D)	3.89	853.59
SCHEDULE [E] **DEFERRED TAX LIABILITY / DEFERRED TAX ASSETS (NET)** (Schedule 'V' B(02))		
A. DEFERRED TAX LIABILITIES :		
Arising on account of timimg difference		
- Depreciation	1,169.35	1,233.26
- Deferred Expenses	272.60	(11.90)
- Interest Accrued but not Due	—	(3.40)
TOTAL DEFERRED TAX LIABILITIES (A)	1,441.95	1,217.96
Less :		
B. DEFERRED TAX ASSETS :		
Arising on account of timimg difference		
- Leave Encashment & Bonus	—	33.78
- Others	0.07	0.48
TOTAL DEFERRED TAX ASSETS (B)	0.07	34.26
T O T A L : (A - B)	1,441.88	1,183.70

SCHEDULE [F]
FIXED ASSETS

(Rs. In Lacs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening As On 01.04.2009	Addition During The Year	Deduction During The Year	Closing As On 31.03.2010	Opening As On 01.04.2009	Addition During The Year	Deduction During The Year	Closing As On 31.03.2010	Closing As On 31.03.2010	Closing As On 31.03.2009
Land & Land Devlopment	308.26	60.39	0.00	368.65	0.00	0.00	0.00	0.00	368.65	308.26
Building - Factory	4963.44	1229.95	0.00	6193.39	237.90	170.38	0.00	408.28	5785.11	4725.54
Office & Other Building	708.46	112.77	0.00	821.23	15.50	12.34	0.00	27.84	793.39	692.96
Plant & Machinery & Elec.	11592.80	2812.89	14.65	14391.04	2586.46	1227.89	8.70	3805.65	10585.39	9006.34
Office Equipment	140.61	10.75	0.00	151.36	19.67	6.81	0.00	26.48	124.88	120.94
Vehicle	209.63	91.53	0.00	301.16	35.52	22.11	0.00	57.63	243.53	174.11
Furniture & Fixture	341.13	58.31	0.00	399.44	34.97	23.72	0.00	58.69	340.75	306.16
Computers	117.88	40.84	0.00	158.72	37.69	22.19	0.00	59.88	98.84	80.19
Intangible Assets										
Trade Mark	55.00	0.00	0.00	55.00	33.00	5.50	0.00	38.50	16.50	22.00
Power Plant - Wind Mill	601.85	0.00	0.00	601.85	85.84	28.59	0.00	114.43	487.42	516.01
Power Plant - Wind Mill Land	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00	10.00
** Short Provision of Dep. of earlier year	0.00	0.00	0.00	0.00	221.25	0.00	0.00	221.25	(221.25)	-221.25
Total (A)	19049.06	4417.43	14.65	23451.84	3307.80	1519.53	8.70	4818.63	**18633.21**	**15741.26**
Previous Year	12342.80	6731.04	24.78	19049.06	1993.73	1093.40	0.58	3307.80	15741.26	8923.79
Capital W.I.P. :										
Godown Building Dalpur - Trading	0.00	5.70	0.00	5.70	0.00	0.00	0.00	0.00	5.70	0.00
Total (B)	0.00	5.70	0.00	5.70	0.00	0.00	0.00	0.00	**5.70**	**0.00**
TOTAL.... (A+B)	19049.06	4423.13	14.65	23457.54	3307.80	1519.53	8.70	4818.63	**18638.91**	**15741.26**
Previous Year	13466.86	6731.04	1148.83	19049.06	1993.73	1093.40	0.58	3307.80	15741.26	10047.84

(Rs. in Lacs)

PARTICULARS				As at 31/03/2010	As at 31/03/2009
SCHEDULE [G]					
INVESTMENTS (At Cost)					
(Current Investment in Mutual Fund) (Quoted)					
SBI Infrastructure Fund A/c No 9479305	**Aggregate Value**	**2009-10**	**2008-09**	5.00	5.00
	Cost	5.00	5.00		
	Market Value	5.17	2.83		
Total (G)				5.00	5.00

(Rs. in Lacs)

PARTICULARS	As at 31/03/2010	As at 31/03/2009
SCHEDULE [H]		
INVENTORIES		
(Taken,Valued & Certified by Directors)		
- Finished Goods	5,441.81	5,634.20
- Raw materials	2,766.71	2,339.23
- Fuel and Gas	157.43	60.73
- Packing Material	365.99	113.71
- Semi-finished goods	1,326.45	301.16
- Store & Spares	753.83	321.21
- Stock of Trading Goods	275.54	204.11
Total (H)	11,087.76	8,974.35
SCHEDULE [I]		
SUNDRY DEBTORS		
(Unsecured, considered good)		
Outstanding		
More than Six Months	849.37	857.38
- Others	5,596.75	4,276.10
Total (I)	6,446.12	5,133.48
SCHEDULE [J]		
CASH & BANK BALANCES		
Cash on Hand	38.44	46.91
Balance with Schedule Bank:		
- In current Accounts	1,742.28	1,008.75
- In Margin Money A/c	392.11	175.05
Total (J)	2,172.83	1,230.71
SCHEDULE [K]		
LOANS & ADVANCES		
(Unsecured considered good)		
(a) Receivable in cash, kind or otherwise for value to be received	1,028.48	875.06
(b) Deposits With Govt. & Semi Govt.	945.33	1,426.05
(c) Advance Income Tax / T.D.S.	2,355.55	1,839.06
Total (K)	4,329.36	4,140.17

(Rs. in Lacs)

PARTICULARS	As at 31/03/2010	As at 31/03/2009
SCHEDULE [L]		
CURRENT LIABILITIES AND PROVISIONS :		
CURRENT LIABILITIES :		
(a) Creditors for Goods	2,759.85	1,012.81
(b) Creditors for Expenses	633.65	611.89
(c) Creditors for Capital Goods	772.65	237.52
(d) Trade Security Deposits	396.94	341.85
(e) Other Liabilities	218.35	509.45
(f) Interest Accrued But Not Due	9.11	11.38
(g) Unclaimed Equity Dividend @	0.38	0.38
@ There is no amount due to be transferred to the investor's Education and Protection Fund		
	4,790.93	2,725.28
PROVISIONS :-		
(a) Proivison for taxation (Including FBT)	2,256.42	1,837.60
(b) Proposed Dividend on Equity Shares	210.61	—
(c) Corporate Tax on Dividend on Equity Shares	35.79	—
(d) Provision for Retirement / Employee benefit	125.79	100.53
	2,628.61	1,938.13
Total (L)	7,419.54	4,663.41
SCHEDULE [M]		
MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED		
Preliminary Expenses:	397.77	500.56
Add : Expense incurred during the Year	—	28.62
Less : 1/5th w/off during the Year.	131.41	131.41
A	266.36	397.77
Deferred Revenue Expenditure:	152.25	175.46
Add : Expense incurred during the Year	260.91	93.63
Less : Written off during the Year	152.26	116.84
B	260.90	152.25
Total (M)	527.26	550.02

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

(Rs. in Lacs)

PARTICULARS	2009-2010	2008-2009
SCHEDULE [N] **OTHER INCOME**		
Interest Income [TDS Rs. 6,74,908/-] [Previos Year TDS Rs.10,29,387/-]	48.38	44.11
Misc. Income	117.18	123.91
Profit on Sales of Assets	0.86	—
Foreign Exchange Fluctuation Gain	173.94	—
Windmill Gaurantee Claim	—	56.72
Interest on IT Refund	—	2.56
Kasar / Vatav	—	1.32
Vat Credit Adjustment	—	3.86
Total (N)	340.36	232.48
SCHEDULE [O] **INCREASE/(DECREASE) IN STOCK**		
FINISHED GOODS		
(a) Closing Stock on hand	5,441.81	5,634.20
Less :		
(b) Opening Stock	5,634.20	3,058.82
Add : On Amalgamation	—	426.37
Increase in Finished Goods Stock A	(192.39)	2,149.01
WORK IN PROGRESS		
(a) Closing Stock on hand	1,326.45	301.15
Less :		
(b) Opening Stock	301.15	277.01
Add : On Amalgamation	—	8.57
Increase in W-I-P Stock B	1,025.30	15.57
TRADING STOCK		
(a) Closing Stock on hand	275.54	204.11
Less :		
(b) Opening Stock	204.11	155.05
Add : On Amalgamation	—	32.78
Increase in Trading Stock C	71.43	16.28
Net Increase in Stock Total (O)	904.34	2,180.86

(Rs. in Lacs)

PARTICULARS	2009-2010	2008-2009
SCHEDULE [P] **COST OF MATERIALS CONSUMED**		
Opening Stock	2,339.23	2,633.02
Add : On Amalgamation	—	175.10
	2,339.23	2,808.12
Add: Purchases		
- Imported	1,626.20	916.89
- Indigeneous	10,044.37	6,665.27
Add: Purchases Tax Expense	85.76	92.43
	14,095.56	10,482.71
Less : Closing Stock	2,766.71	2,339.23
Cost of Materials Consumed Total (P)	11,328.85	8,143.48
SCHEDULE [Q] **MANUFACTURING EXPENSES**		
Fuel & Gas Consumed (Includes opening Stock of Fuel & Gas of Rs.1910.75 on Amalgamation in P.Y)	4,475.35	5,467.05
Store & Consumables (Includes opening Stock of Spares of Rs.5563.25 on Amalgamation in P.Y)	1,309.87	1,680.64
Packing Materials consumed (Includes opening Stock of Fuel & Gas of Rs.1607.51 on Amalgamation in P.Y)	2,015.27	1,460.68
Electricity & Power	2,652.59	2,161.87
Loading & Unloadng Expenses	408.68	186.08
Other Factory Overheads & Storage Exp.	128.50	188.17
Total (Q)	10,990.26	11,144.49

(Rs. in Lacs)

PARTICULARS	2009-2010	2008-2009
SCHEDULE [R]		
ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Advertisement Exp.	783.56	683.63
Amalgamation Expense	—	1.75
Audit Fees	2.85	2.85
Director Remuneration	47.15	46.85
Directors Travelling Expenses - Foreign	20.10	17.77
Donations	137.87	67.20
Excise Duty	2,580.11	1,899.94
Legal & Professional Fees	76.67	58.75
Professional Tax	0.17	0.13
Insurance Exp.	47.89	47.97
Loss on sale of Machinery	—	0.42
Misc. & General Expenses	127.09	204.82
Postage/Couriar , Telephone & Telegram Exp.	97.56	104.93
Printing & Stationaries	63.87	72.34
Prior Period Expense	54.19	47.38
Rapairs & Maintainence - Machinery	41.81	53.73
Rapairs & Maintainence - Building	30.28	22.25
Rapairs & Maintainence - Others	62.42	54.23
Rent Expenses	231.88	213.71
Sales & Distribution Expense	3,140.11	2,363.20
Sale Tax Expenses	2,715.63	2,433.64
Travelling & Conveyance Expenses	396.87	289.85
Vehicle Expenses	37.40	33.20
Total (R)	10,695.48	8,720.54
SCHEDULE [S]		
EMPLOYEES EMOLUMENTS		
Salaries	1,936.18	1,624.87
Staff Welfare Exp.	58.54	34.76
Total (S)	1,994.72	1,659.63
SCHEDULE [T]		
INTEREST & FINANCE CHARGES		
Bank Interest - Cash Credit	219.22	668.48
Bank Interest - Term Loans	256.39	203.80
Bank Interest - WCDL Loans	242.43	118.57
Other Interest Expenses	32.18	73.18
Bank Commission & Other Charges	205.31	76.80
Total (T)	955.53	1,140.83

SCHEDULE "U" SIGNIFICANT ACCOUNTING POLICES AND NOTES ON ACCOUNTS

01. SIGNIFICANT ACCOUNTING POLICES:

The Significant accounting policies to the extent applicable the company 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 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 revenue is recognized when property in the goods with all risk rewards and effective control of goods usually associated with ownership are transferred to buyer at price and includes excise duty, sales tax, insurance, freight etc. but excludes sales return if any.

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 recognized in the period in which the results are known / materialized.

(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 Godown for Storage of Trading Goods which is under construction and yet to be commenced. It includes other non refundable taxes or levies, expenditure incurred in the course of construction or acquisition and any directly attributable costs.

(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 prorate 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

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.

(viii) Retirement Benefits.

Provision for Leave encashment liability is provided on the basis of calculation of earned leave as on 31st March 2010.

During the year the Company has a scheme of Retirement Benefit namely 'Group Gratuity Fund' recognized 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 recognized 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 recognized under respective heads of accounts as and when the settlement takes place with the terms of the respective contracts.

(xi) Miscellaneous Expenditure:-

In accordance with the provisions of section 35D of Income Tax Act 1961, the company has written off one- fifth of expenses.

(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 recognized using the tax rates applicable as on the date of balance sheet. Deferred tax assets are recognized only if there is virtual certainty of realization of such assets. At balance sheet date, recognized and unrecognized 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 capitalized, 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 Advertisement expenditure incurred, expenditure incurred for new Catalogue & Folder printing for new product, Expenditure towards Exhibition of new products and mega event show charges are amortized over a period of three years.

Certain advertisement expense towards New Product display charges incurred during the year are amortized over a period of two year looking to its enduring benefit available.

It also includes deferred forward contract premium expense for hedging of forward transaction in foreign currency.

(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 centralized and booked on the basis of vouchers and supporting sent by C & F and branches.

(xvi) Initial Public Offer Expenses (Net) :

Initial Public Offer Expenses are written off over a period of 5 years in accordance with the provision of section 35D of Income Tax Act,1961 and shown as Misc. expenses written off. The un- amortized expenses are shown under Misc Expenses (to the extent not w/off or adjusted).

(xvii) Pre Operative Expenses :-

Expenses incurred upto the trial run production for Wall Tiles Expansion Plant i.e up to 17th March,2010 is shown under pre operative expenses and correspondingly pre operative expenses is transferred to Fixed assets of the expansion plant in respective proportion. Expenditure incurred towards new Agro Project upto 20th November,2009 is shown under pre operative expenses and corresponding pre operative expenses of Agro Project are transferred to Fixed assets of the plant in respective proportion.

SCHEDULE "V" NOTES FORMING PART OF ACCOUNTS:

A. NOTES ON ACCOUNT

1. Advertisement expenditure of **Rs. 1,50,80,752 /- (**P.Y.Rs.56,63,186/-) is deferred during the year. During the year, Printing & Stationery Expense incurred for New Catalogue & Folder printing of **Rs23,53,205/- (**P.Y. NIL) and Expenditure incurred of **Rs.56,95,151/-(**P.Y.NIL) towards Exhibition of new products are deferred.
2. 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 form the bills and the stock records maintained by the company (wherever applicable).
3. 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.
4. In sample sale only excise and EDU payable on sample sale value is charged as expenses considering no commercial value of samples.
5. Balance of Sundry creditors, debtors, debit/credit balance of loans and advances are subject to confirmation from the respective parties.
6. Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with the current year figures.
7. We are unable to categories the dues to Small Scale Industries (SSI) separately due to lack of information regard to the status of the creditors for goods outstanding above 30 days as on the balance sheet date.
8. 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.
9. Capital Reserve of Rs.70/- was arise due to Amalgamation is shown under Reserves & Surplus but due to amount in Lacs it does not reflect.
10. Additional information pursuant to provisions of paragraphs 3, 4 C and 4D of part II of Schedule VI to the companies Act, 1956 (Information given to the extent applicable)

   (a) Particulars of Capacity, Production, sales and stock of finished good are as under:

Division	Vitrified		Wall		Marble		Ceramic		Total	
Year	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Units In Sq.Mtr.										
Licensed Capacity	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Installed Capacity	5840000	5840000	8030000*	3394500	912500	77500	2190000	2190000	16972500	11502000

* (Wall Tiles Installed Capacity (In Sq Mtrs) includes increase in capacity during the year by 12,700 sq Mtrs per day from 18th March,2010.)

Quantitive particulars in respect of finished good manufactured & sales of Vitrified, Wall ,Ceramic & Marble

Division	Vitrified		Wall		Marble		Ceramic		Total	
Year	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Details Qty in Sq.Mtr.										
Opening	615318	590583	633168	346562	126	0	267907	217432	1516519	1154577
Production	4954673	4784889	3549570	2032479	203644	182	2185668	1872694	10893555	8690244
Sales	5091685	4760154	3406847	1745873	163110	56	2306417	1822219	10968059	8328302
Closing Stock	478306	615318	775891	633168	40660	126	147158	267907	1442015	1516519

Division	Vitrified		Wall		Marble		Ceramic		Total	
Year	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Details Rs. In Lacs										
Opening	2632.59	1847.10	2357.83	1211.72	1.02	0.00	642.76	426.37	5634.20	3485.19
Production	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sales	20332.86	21278.65	10522.00	6517.45	2235.00	0.68	4268.58	4603.53	37358.44	32400.31
Closing Stock	1826.94	2632.59	2400.63	2357.83	492.63	1.02	721.61	642.76	5441.81	5634.20

(b) Quantitative particulars in respect of raw material consumed (Rounded).

	Current Year		Previous Year	
Particulars	Qty. [Tons]	Value Rs.(in Lacs)	Qty. [Tons]	Value Rs.(in Lacs)
Body Materials	313776.86	8552.11	196900.10	5303.56
Glaze, Friet, Chemicals & Others	—	2776.74	—	2839.93
Total		11328.85		8143.49

*(Includes Transportation and other Exp.)

(c) The Raw Material Consumption: (Rs. In lacs)

Classification	Current Yr.		Previous Yr.	
	Value	%	Value	%
Indigenous	10386.15	91.68%	7224.25	88.71%
Imported	942.70	8.32%	919.24	11.29%
Total	11328.85		8143.49	

(d) The Store & Spares Consumption: (Rs. In lacs)

Classification	Current Yr.		Previous Yr.	
	Value	%	Value	%
Indigenous	645.50	49.28%	739.34	43.98%
Imported	664.37	50.72%	941.30	56.02%
Total	1309.87		1680.64	

(e) The foreign exchange earnings during the year: (Rs. In lacs)

Particulars	Current Yr.	Previous Yr.
Export Sales	607.78	88.49
(f) The expenditure incurred in foreign exchange:		
Foreign Travelling	32.09	12.60

(g) Quantitative particulars in respect of Trading Goods of Tiles (Rounded).

	Current Year		Previous Year	
Particulars	Qty. [Boxes]	Value Rs. in Lacs	Qty. [Boxes]	Value Rs. in Lacs
Trading Materials(Finished Goods)				
Opening Stock	34137	58.40	66084	102.98
Purchases	2023437	4160.82	987717	1511.06
Sales	1960319	5288.98	1019664	1691.75
Closing Stock	98173	266.36	34137	58.40

(h) **Marble Trading Goods**

	Current Year		Previous Year	
Particulars	Qty. [Sq. Mt.]	Value Rs. in Lacs	Qty. [Sq. Mt.]	Value Rs. in Lacs
Trading Materials(Finished Goods)				
Opening Stock	110372	145.72	76582	85.95
Purchases	1951	5.54	517733	659.46
Sales	104991	202.65	483943	988.18
Closing Stock	7332	9.18	110372	145.72

(i) **Others Items Sales**

	Current Year		Previous Year	
Particulars	Qty.	Value Rs. in Lacs	Qty.	Value Rs. in Lacs
Raw & Packing Material, Spares & Others				
Raw Material Sales (M.T.)	538	19.39	74	13.55
Spares & Abbrasive Sales (PCS)	96.79	22.30	710	1.17
Packing Material (M.T.)	73	12.93	—	—
Others	—	15.01	—	0.25

(i) **Agro Product**

	Current Year		Previous Year	
Particulars	Qty. [Mt.]	Value Rs. in Lacs	Qty. [Mt.]	Value Rs. in Lacs
Purchases	63.79	97.82	—	—
Sales	63.79	210.59	—	—

(j) **Value of Export calculated at F.O.B. valued: Rs 619.83 Lacs /-**

(k) **CIF Value of Import 30,79,34,260 /-**

(Rs. In lacs)

Particular	2009-10	2008-09
PURCHASE OF CAPITAL GOODS	1119.15	2409.39
STORE & SPARES	677.74	970.90
RAW MATERIALS	1242.20	890.75
MARBLE STONE (TRADING)	-	615.50
FINISHED GOODS	30.73	-
OTHER DESIGN MATERIALS	9.52	-
a. The additional information pursuant to schedule VI of the companies Act,		
Auditors Remuneration	Current Yr.	Previous Yr.
Statutory Audit	220000	220000
Tax Audit	65000	65000
Others	NIL	NIL
Total	285000	285000
b. Details of Managerial Remuneration:		
Salary	46,20,000	4620000
Director Sitting Fees	95,000/-	65,000/-
Perquisites	Nil	Nil

B. DISCLOSURES:

01. Disclosure required by the AS15 (Revised): Employee Benefits

			2009 – 10 Rs.	2008-09 Rs.
A.	**Components of Employer Expense**			
	1	Current service Cost (including risk premiums for fully insured schemes)	1,797,636	7,33,853
	2	Interest Cost	168,907	1,23,353
	3	Expected Return on Assets	(344,896)	(1,34,024)
	4	Curtailment Cost/(Credit)		—
	5	Settlement Cost/(Credit)		—
	6	Past Service Cost	533,833	
	7	Actuarial (gain)/and Losses	—	(69,239)
	8	Total Employer Expense recognised in the P & L	2,155,480	6,53,943
	a.	**Net Asset/(Liability) Recognised in Balance Sheet – 31-Mar-2010**		
	1	Present value of Defined Benefit Obligation as at 31-Mar-2010	4,470,654	22,05,579
	2	Fair Value of Plan Assets as at 31-Mar-2010	5,560,160	33,60,316
	3	Funded status [Surplus/(Deficit)]	1,089,506	11,54,737
	4	Unrecognised Past Service Costs	0	0
	5	**Net Assets/(liability)recognized in Balance Sheet**	1,089,506	11,54,737
	b.	**Change in Obligation & Assets over the period ending on - 31-Mar-2010**		
	1.	Present value of Defined Benefit Obligation at the beginning of 31-Mar-2009	2,205,579	15,41,910
	2.	Employer Service Cost	1,797,636	7,33,853
	3.	Interest Cost	168,907	1,23,353
	4.	Curtailment cost/(Credit)	0	0
	5.	Settlement cost/(Credit)	0	0
	6.	Plan Amendments	0	0
	7.	Acquisitions	0	0
	8.	Actuarial (Gain)/Loss	487,011	(1,93,537)
	9.	Benefits Payments	(188,479)	0
	10.	Present value of defined Benefit Obligation at the end of 31-Mar-10	4,470,654	22,05,579
B.	**Change in Assets**			
	1.	Fair Value of Plan assets at the beginning of the period	3,360,316	—
	2.	Expected Return on Plan Assets (Para 108/109)	344,896	1,34,024
	3.	Actuarial Gain / (Loss)	(46,822)	(1,24,298)
	4.	Assets Distributed on Settlements	0	0
	5.	Actual Company contributions less Risk Premium	2,090,249	33,50,590
	6.	Benefits payments	(188,479)	—
	7.	Fair Value of the assets at the end of the period	5,560,160	33,60,316
	a.	**Net Asset/(Liability) Recognised in Balance Sheet – 31-Mar-2009**		
	1	Net assets/(Liability) Recognised in the Balance Sheet at the beginning of the period 31-Mar-2009	1,154,737	(15,41,910)
	2	Employer Expense	(2,155,480)	(6,53,943)
	3	Employer Contributions	2,090,249	33,50,590
	4	Acquisitions/business combinations	0	0
	5	**Net Assets/(liability)recognised in Balance Sheet at the end of the period 31-Mar-10**	1,089,506	1,154,737

Assumption	31-Mar-10	31-Mar-09
Discount rate	8.00%	8.00%
Expected return on assets (P107-109 AS15R)	8.00%	8.00%
Salary Increases (Para83-91 and 120(I) AS15R)	4.00%	4.00%
Withdrawal rates	3.00%	2.00%
Mortality	Indian Assured Lives Mortality (1994-96) (Modified) Ultimate	

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

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

(Rs. In Lacs)

	As At31st March,2010	As At 31st March,2009
Depreciation	1169.35	1233.26
Deferred Expenses	272.60	(11.90)
Interest Accrued but not Due	—	(3.40)
Leave Encashment & Bonus *	—	(33.78)
Others	(0.07)	(0.48)
Total	1441.88	1183.70

- Deferred tax Liability of Leave encashment & Bonus (Net) of Rs.254/- arise during the year does not reflect due to amount in Lacs.

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

03. 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. Rs.19,03,89,609/-

ii) The number of ordinary shares used as the denominator in calculating the basic earning per share is 2,10,61,291 i.e. weighted number of equity shares as on the date of balance sheet 31ST March,2010. Diluted earning per share is arrived by taking weighted number of equity shares outstanding as on the date of balance sheet i.e. 2,10,61,291.

	As at 31st March 2010(Rs.)	As at 31st March 2009(Rs.)
Profit attributable to the Equity Shareholders (Rs.) (A)	19,03,89,609	250135993
Basic / Weighted average No. of Equity Shares Outstanding during the year (B)	21061291	21061291
Nominal value of Equity Shares – (Rs.)	10	10
Basic / Diluted Earnings per Share (Rs.) (A)/(B)	9.04	11.88

04. Borrowing Cost:-

Based on the guiding principle given in Accounting standard on “Borrowing Cost” (AS-16) issued by the ICAI, the Company has capitalized Rs. **34,46,031**/- P.Y. (Rs. 1,41,65,461 /-) during the year to the Fixed Assets.

05. 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 separateble 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.

Sr No.	Location	Amount (Rs.)
1	India	42510.46
2	Out side India	619.83

6. **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, 2010 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 : - NIL

Relatives of Key Management Personnel

Sureshbhai J.Patel Prop.of Asian Plus – A'bad

Key Management Personnel

Hasmukhabhai D.Patel   Kamleshbhai B.Patel

Mukeshbhai J.Patel   Rameshbhai B.Patel

Particulars	Relatives of Key Management Personnel	Key Management Personnel
Purchases		
Loans received	935000	—
Sales	37685	2420
Salary	600000	—
Remuneration	—	4620000
Interest Paid	—	174616
Rent Received	183600	—
Grand Total	**1756285**	**4797036**
Year End Balance	**242915**	**300631**

7. **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.

	Particulars	**Amount (RS.In Lacs)**
1	Bank Guarantee	680.76
2	Custom Duty *	199.98
3	Claims against the Company / Disputed Liabilities not acknowledged as Debts	
	Sales Tax	64.71
	Excise Duty claim by DGCEI-Ahmedabad	2043.18
	Income tax	2746.20
4	Letters of Credit opened with Bank	860.68

1) Kerala Sales Tax of **Rs. 1,00,000/-** issued under the Kerala General Sales Tax Act, 1963 by SBI.

The company has also given bank guarantee of SBI to Excise and taxation officer, for Value Added Tax of Rs. **6,67,566/-.**

The company has given Bank Guarantee to Sabarmati Gas Ltd of Rs **6,70,83,525**/- for Gas supply.

The Company has given Bank Guarantee for Value Added Tax at Cochin of Rs.**75,000/-** issued by Bank of Baroda. Further the Company has given Bank Guarantee to the Joint Commissioner of Sales Tax Ahmedabad Appeal F.Y.2005-06 of Rs.**1,50,000/-** issued by Bank of Baroda.

2) * The Company has saved custom duty of Rs.1,99,97,705/- on purchase of Plant & Machinery imported in year 2009-10 under condition that Company is under obligation to export its product worth US $ 33,82,275.80 within a period of eight years from the date of licence i.e.12.11.2009. If the said export is not made within stipulated time period, the Company is required to pay the said saved custom duty together with interest @ 15% P.A. Till 31st March,2018.

3) The company has file appeal with Joint Commercial Tax commissioner Appeals for sales tax of Rs.4507857 and Rs.1962743 of the year 2003-04 and 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 Ameepigment Ltd and hence the Company has filed appeal on the basis of this decision.

Disputed Income Tax liability of Rs.2746.20 lacs for various assessment years for which department has preferred appeals at higher levels. Out of these, liabilities to the extent of Rs.192.74 lacs have remained pending after CIT (Appeals) order effect. The Company has already paid Rs.130.37 lacs towards remaining disputed liabilities and disputed amount remains unpaid is of Rs 62.37 lacs only.

8. Derivative Instruments:

The company has entered into forward contracts to offset foreign currency risks arising from the amounts denominated in currencies other than the India Rupee. The counter parties to such forward contracts are banks.

Consequent to the announcement issued by ICAI on Accounting of Derivates, details of derivatives contracts outstanding as on 31-03-10 are as under:

Nature	Particulars of Derivaties		Purpose
	As at March 31,2010 (Rs. In Lacs)	As at March 31,2009(Rs. In Lacs)	
Foreign Currency Loan	7538.12	NIL	Hedging of Loan-Forward Contract

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

Nature	As at March 31,2010 (Rs. In Lacs)	As at March 31,2009(Rs. In Lacs)
Buyer's Credit	1507.80	1404.30

Schedules referred to above forming part of the Accounts
As per our audit Report of even date
A. L. Thakkar & Co.
Chartered Accountants
FRN : 120116W
Sanjiv Shah
Partner
M.No. 42264
Place : Ahmedabad
Date : 29th July, 2010

Jigar H. Shah
Company Secretary

For and on behalf of
Asian Granito India Limited

Kamleshbhai B. Patel *Chairman & Managing Director*

Hasmukhbhai D. Patel *Managing Director*

Place : Ahmedabad
Date : 29th July, 2010

BALANCE SHEET ABSTRACT & GENERAL BUSINESS PROFILE OF THE COMPANY

(Rs. in Thousand)

I.	**REGISTRATION DETAILS**	
	Registration No.	27,025
	State code	04
	Balance sheet Date	31.03.2010
II.	**CAPITAL RAISED DURING THE YEAR [RS. IN '000]**	
	Public Issue	Nil
	Right Issue	Nil
	Preferential Allotment	Nil
	Bonus Issue	Nil
III.	**POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS [RS IN '000]**	
	Total Liablities	4,320,724
	Total Assets	4,320,724
	Sources of funds:	
	Paid-up capital	210,613
	Reserves & Surplus	1,852,785
	Secured Loans	1,370,795
	Unsecured Loans	389
	Deferred Tax Liability	144,188
	Application of funds:	
	Net fixed Assets	1,863,891
	Investments	500
	Net Current Assets	1,661,653
	Misc. expenditure	52,726
IV.	**PERFORMANCE OF THE COMPANY [RS IN '000]**	
	Turnover	4,313,029
	Total Expenditure	4,187,996
	Profit/Loss before Tax	258,288
	Profit/Loss after Tax	190,390
	Earning per share in Rs.	9.04
V.	**GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY**	
	Item Code No.	N.A
	Product Descrilption	

Schedules referred to above forming part of the Accounts
As per our audit Report of even date
A. L. Thakkar & Co.
Chartered Accountants
FRN : 120116W
Sanjiv Shah
Partner
M.No. 42264
Place : Ahmedabad
Date : 29th July, 2010

Jigar H. Shah
Company Secretary

For and on behalf of
Asian Granito India Limited

Kamleshbhai B. Patel ***Chairman & Managing Director***

Hasmukhbhai D. Patel ***Managing Director***

Place : Ahmedabad
Date : 29th July, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in Lacs)

Particulars		2009-2010	2008-2009
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before tax and Extra-ordinary items	2,582.88	3,402.40
	Adjustment:		
	Depreciation	1,519.53	1,093.40
	Deferred Revenue Expenditure written off	152.26	116.83
	Preliminary Expenses Amortised	131.41	131.41
	Loss on sale of Fixed Assets	(0.86)	0.42
	Investment Written Off	—	5.00
	Interest and Finance Charges	955.53	1,140.83
	Interest and Other Income	48.38	(232.48)
	Operating Profit before working Capital changes	5,389.13	5,657.81
	Adjustment for		
	Trade and other Receivables	(1,312.64)	(1,259.00)
	Loans and advances	327.30	(184.52)
	Inventories	(2,113.41)	(2,613.35)
	Trade Payables	2,095.74	587.97
	Cash generated from operation Before Income Tax Paid	4,386.12	2,188.91
	Direct Taxes / Fringe Benefits Tax Paid	(516.49)	(1,839.06)
	NET CASH FROM OPERATING ACTIVITIES [A]	3,869.63	349.85
B.	**CASH FLOW FROM INVESTMENT ACTIVITIES**		
	Purchase of Fixed Assets	(4,423.13)	(5,693.42)
	Increase/Decrease in Investments	—	1,764.59
	Interest and Other Income	(48.38)	232.49
	Miscellaneous Expenditure	(260.91)	(122.25)
	Proceeds from Intial Public Offer	—	—
	Premium on Issue of Intial Public Offer	—	—
	NET CASH FLOW FROM INVESTMENT ACTIVITIES [B]	(4,732.42)	(3,818.59)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Proceeds from Secured Loans	3,610.14	4,366.57
	Proceeds from Unsecured Loans	(849.70)	801.40
	Interest and Finance Charges	(955.53)	(1,140.83)
	NET CASH FROM FINANCING ACTIVITIES [C]	1,804.91	4,027.14
	NET INCREASE IN CASH AND CASH EQUILENTS [A+B+C]	942.12	558.40
	Cash and Cash Equilents As at 1st April 2009	1,230.71	672.30
	Cash and Cash Equilents As At 31st March 2010	2,172.83	1,230.71

Schedules referred to above forming part of the Accounts
As per our audit Report of even date
A. L. Thakkar & Co.
Chartered Accountants
FRN : 120116W
Sanjiv Shah
Partner
M.No. 42264
Place : Ahmedabad
Date : 29th July, 2010

Jigar H. Shah
Company Secretary

For and on behalf of
Asian Granito India Limited

Kamleshbhai B. Patel ***Chairman & Managing Director***

Hasmukhbhai D. Patel ***Managing Director***

Place : Ahmedabad
Date : 29th July, 2010

ASIAN GRANITO INDIA LIMITED

Regd. Office : 202, Devarc, Opp. Iskon Temple, Sarkhej Gandhinagar Highway, Ahmedabad-380015.

ATTENDANCE SLIP

FIFTHTEENTH ANNUAL GENERAL MEETING - Saturday, 25th September, 2010 at 11.00 A.M.

Folio No./DP ID : ____________________ Client ID : ____________________

No. of Shares held : ____________________

I certify that I am a registered equity shareholder / Proxy for the registered equity shareholder of the company. I hereby record my presence at the 15th Annual General Meeting of the Company will be held at AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380015.

____________________ ____________________

Member's/Proxy's name in BLOCK letters Member's/Proxy's Signature

Note : (Please fill in this Attendance slip and hand it over at the entrance of the meeting hall.)

— — — — — — — Tear Here — — — — — — —

ASIAN GRANITO INDIA LIMITED

Regd. Office : 202, Devarc, Opp. Iskon Temple, Sarkhej Gandhinagar Highway, Ahmedabad-380015.

PROXY FORM

FIFTHTEENTH ANNUAL GENERAL MEETING - Saturday, 25th September, 2010 at 11.00 A.M.

I/ We ____________________ of ____________________ of being

a member/members of the above named Company hereby appoint ____________________ of

____________________ or failing him/her ____________________ of

____________________ in my/ our absence to attend and vote for me/us and on my/our behalf at the 15th Annual General Meeting of the Company to be held on 25th September,2010 at 11.00 A.M. and any adjournment thereof.

Signature (s) ____________ Affix 1 Rupee Revenue Stamp ____________

Date : ____________________

LF No./DP ID : ____________________ Client ID : ____________________

No. of Shares held : ____________________

Note: The proxy must be deposited at the Registered Office of the Company 48 hours before the meeting.

asian TILES WORLD

Exclusive Company Showrooms

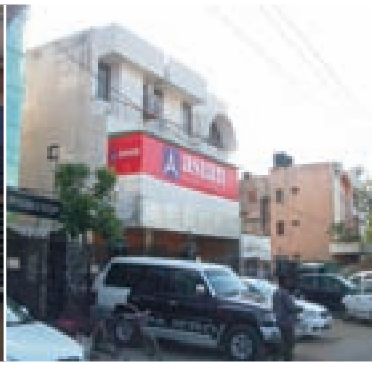

AHMEDABAD


BANGALORE


CHANDIGARH


CHENNAI


COIMBATORE

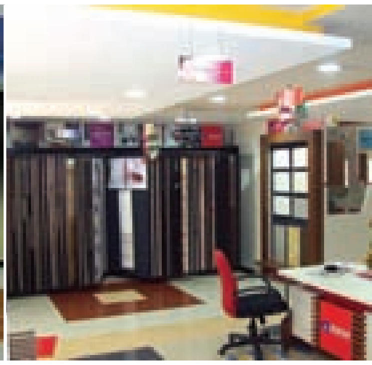


DELHI

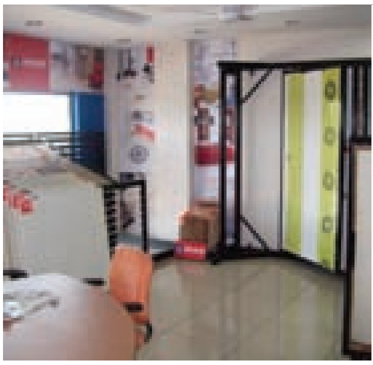

GANDHINAGAR


GODHARA


HIMMATNAGAR


HYDERABAD

INDORE


JAIPUR

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KOLKATA

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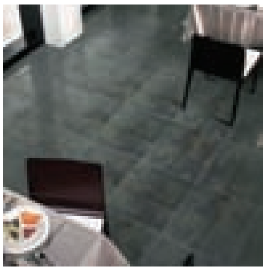

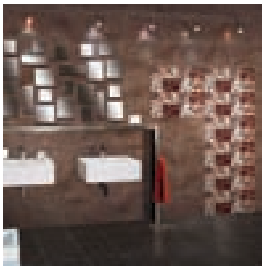

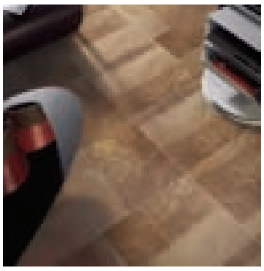

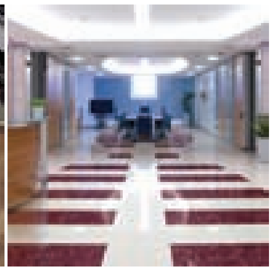

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Available size: 300x900mm, 300x600mm, 300x450mm, 250x400mm & 300x300mm (Designer Concepts complete with Highlighters & Listel).

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Asian vitrified tiles collection truly defines elegance. It exudes beauty & gives a special charm to place. Exquisite designs set with supreme quality create an inimitable collection. These tiles are made in state of art plant equipped with Italian Machines and Technology. The tiles are pressed in ITALIAN SACMI PRESS 4600 tons, fired at approximately 1200°c, and polished with a 42 head polishing machines.

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Available in 10x4 feet slabs in enchanting colors.

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