

Asian Granito India Ltd.

annual report  
2008-2009





## Chairman's Message

**Dear Shareowners,**

On behalf of our company, 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 1994 with a small unit named Kedia Cera at Idar. Today when we look back with 19 depots, strength of 5300 business associates & 12 Asian World exclusive company showroom 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 and satisfied customers who showed faith in our dreams.

I am delighted to inform you that our Company has successfully installed new plant to produce composite marble stone. Commercial production has already started and successfully launched in the market. We have got very good response from the market and this is going to open a new growth area for your company.

We have very aggressive growth plan in tiles segment also, which includes expansion of our Wall Tiles facilities by 12700 sq. mtrs per day, outsourcing of different sizes of Ceramic Wall Tiles, Floor Tiles & Vitrified Tiles, in order to become a Company which is able to cater to all segments of Ceramic Tile industry. With this new capacity expansion coupled with outsourcing activities, we are targeting tremendous growth in our gross revenue by next year over the current year.

We are also starting import of tiles shortly. Strategically we shall be importing those items only which will help us in expanding our customer base and fill the gap between what it is in demand and what we can produce. This segment is also going to be good revenue generator for your company.

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,

A handwritten signature in black ink, appearing to read 'Kamlesh Patel'.

Kamlesh Patel  
Chairman



## CORPORATE INFORMATION

**BOARD OF DIRECTORS**

Kamleshbhai Patel	<i>Chairman cum Managing Director</i>
Hasmukhbhai Patel	<i>Managing Director</i>
Mukeshbhai Patel	<i>Director</i>
Rameshbhai Patel	<i>Director</i>
Maganlal Prajapati	<i>Director</i>
Maheshchander Julka	<i>Director</i>
Shankarlal Patel	<i>Director</i>
Ajendrakumar Patel	<i>Director</i>

**AUDITORS**

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

**BANKERS**

State Bank of India  
Commercial Branch,  
Ahmedabad.

**COMPANY SECRETARY**

Vanita Agarwal

Bank of Baroda  
Navrangpura Branch,  
Ahmedabad.

**AUDIT COMMITTEE**

Maganlal Prajapati	<i>Chairman</i>
Maheshchander Julka	<i>Member</i>
Hasmukhbhai Patel	<i>Member</i>

**REGISTERED & CORPORATE OFFICE**

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

**REMUNERATION COMMITTEE**

Maganlal Prajapati	<i>Chairman</i>
Maheshchander Julka	<i>Member</i>
Shankarlal Patel	<i>Member</i>

**WORKS**

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

**SHAREHOLDERS' GRIEVANCE COMMITTEE**

Maganlal Prajapati	<i>Chairman</i>
Maheshchander Julka	<i>Member</i>
Hasmukhbhai Patel	<i>Member</i>

**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 14th Annual General Meeting of the Members of ASIAN GRANITO INDIA LIMITED will be held at Ahmedabad Textile Mills' Association, Ashram Road, Navrangpura, Ahmedabad - 380009 on **Monday, November 30, 2009** at 11.00 a.m. to transact the following businesses:

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and the Audited Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors.
2. To appoint a Director in place of Shri Hasmukhbhai D. Patel, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Rameshbhai B. Patel, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Mukeshbhai J. Patel, who retires by rotation and, being eligible, offers himself for re-appointment.
5. 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 March 31, 2010.

### Special Business:

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

**RESOLVED THAT** pursuant to the provisions of section 198, 269, 309, 310, and 311 read with XIII and all other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for time being in force), subject to the provisions of the Articles of Association of the Company and such other approvals as may be necessary, **Shri Kamleshbhai B. Patel**, Director of the Company be and is hereby re-appointed as Chairman-cum-Managing Director of the Company for a further period of five years with effect from January 01, 2009 up to December 31, 2013 on the terms and conditions as stated below:

**(A) SALARY :** Not exceeding Rs. 3,50,000/- per month.

**(B) PERQUISITES**

Shri Kamleshbhai B. Patel, Chairman-cum-Managing Director shall be entitled to perquisites like

accommodation or house rent allowance in lieu thereof together with reimbursement of expenses for utilization of Gas, Electricity, Water, reimbursement of ordinary medical expenses, leave travel concession for self and their family including dependents, Children education allowance, club fees, premium towards personal accident insurance and mediclaim and all other payments in nature of perquisites and allowance subject to a ceiling of 10% of annual Salary per annum.

"Family" covers the spouse, the dependant children, and dependant parents of Chairman-cum Managing Director.

### (C) OTHER TERMS:

- (a) Apart from the remuneration, Chairman cum-Managing Director shall be entitled to:
  - (i) Free use of the Company's Car with Driver for the business purpose of the Company.
  - (ii) Free telephone at the residence
  - (iii) Reimbursement of all actual expenses including entertainment and traveling incurred in course of Company's business.
- (b) Company's contribution to Provident fund and the pension fund as per the Company's rules the Company's contribution to the provident fund and pension fund will not be included in the Computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity shall be paid as per Company's rule and will not be included in the computation of the ceiling on perquisites.
- c) Encashment of leave at the end of tenure.

**RESOLVED FURTHER THAT** where in any financial year closing on and after January 01, 2009 the Company has no profits or its profits are inadequate, the enhanced remuneration may, with the approval of Central Government, or otherwise remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit as specified under Section II of Part II of Schedule XIII of the Companies Act, 1956, as amended for the time being in force be paid to Shri Kamleshbhai B Patel, Chairman-cum Managing Director.

**RESOLVED FURTHER THAT** in the event of any statutory amendment(s) or modification(s) or relaxation(s) by the Central Government to Schedule XIII of the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit of ceiling in order to give effect to such modification(s), relaxation(s) or variation(s) without any further reference to the Company in General Meeting.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company



be and is hereby authorised to do all such acts, deeds, matters and things as it may be in its absolute discretion deem necessary, expedient, usual and proper.

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

**RESOLVED THAT** pursuant to the provisions of section 198, 269, 309, 310, and 311 read with XIII and all other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for time being in force), subject to the provisions of the Articles of Association of the Company and such other approvals as may be necessary, **Shri Hashmukhbhai D. Patel**, Director of the Company be and is hereby re-appointed as Managing Director of the Company for a further period of five years with effect from January 01, 2009 up to December 31, 2013 on the terms and conditions as stated below :

(A) **SALARY** : Not exceeding Rs. 3,50,000/- per month.

**(B) PERQUISITES**

Shri Hashmukhbhai D. Patel, Managing Director shall be entitled to perquisites like furnished accommodation or house rent allowance in lieu thereof together with reimbursement of expenses for utilization of Gas, Electricity, Water, reimbursement of ordinary medical expenses, leave travel concession for self and their family including dependents, Children education allowance, club fees, premium towards personal accident insurance and mediclaim and all other payments in nature of perquisites and allowance subject to a ceiling of 10% of annual Salary per annum.

"Family" covers the spouse, the dependant children, and dependant parents of Managing Director.

**(C) OTHER TERMS:**

(a) Apart from the remuneration, Managing Director shall be entitled to:

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

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

(c) Encashment of leave at the end of tenure.

**RESOLVED FURTHER THAT** where in any financial year closing on and after January 01, 2009 the Company has no profits or its profits are inadequate, the enhanced remuneration may, with the approval of Central Government, or otherwise remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit as specified under Section II of Part II of Schedule XIII of the Companies Act, 1956, as amended for the time being in force be paid to Shri Hashmukhbhai D. Patel, Managing Director.

**RESOLVED FURTHER THAT** in the event of any statutory amendment(s) or modification(s) or relaxation(s) by the Central Government to Schedule XIII of the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit of ceiling in order to give effect to such modification(s), relaxation(s) or variation(s) without any further reference to the Company in General Meeting.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may be in its absolute discretion deem necessary, expedient, usual and proper.

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

**RESOLVED THAT** pursuant to the provisions of section 198, 269, 309, 310, and 311 read with XIII and all other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for time being in force), subject to the provisions of the Articles of Association of the Company and such other approvals as may be necessary, **Shri Rameshbhai B. Patel**, Director of the Company be and is hereby re-appointed as Wholtime Director of the Company for a further period of five years with effect from January 01, 2009 up to December 31, 2013 on the terms and conditions as stated below:

(A) **SALARY** : Not exceeding Rs. 3,50,000/- per month.

**(B) PERQUISITES**

Shri Rameshbhai B. Patel, Wholtime Director shall be entitled to perquisites like furnished accommodation or house rent allowance in lieu thereof together with reimbursement of expenses for utilization of Gas, Electricity, Water, reimbursement of ordinary medical expenses, leave travel concession for self and their family including dependents, Children education allowance, club fees, premium towards personal accident insurance and mediclaim and all other payments in nature of perquisites and allowance subject to a ceiling of 10% of annual Salary per annum.

"Family" covers the spouse, the dependant children, and dependant parents of Wholetime Director.

**(C) OTHER TERMS:**

(a) Apart from the remuneration, Wholetime Director shall be entitled to:

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

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

(c) Encashment of leave at the end of tenure.

**RESOLVED FURTHER THAT** where in any financial year closing on and after January 01, 2009 the Company has no profits or its profits are inadequate, the enhanced remuneration may, with the approval of Central Government, or otherwise remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit as specified under Section II of Part II of Schedule XIII of the Companies Act, 1956, as amended for the time being in force be paid to Shri Rameshbhai B. Patel, Wholetime Director.

**RESOLVED FURTHER THAT** in the event of any statutory amendment(s) or modification(s) or relaxation(s) by the Central Government to Schedule XIII of the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit of ceiling in order to give effect to such modification(s), relaxation(s) or variation(s) without any further reference to the Company in General Meeting.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may be in its absolute discretion deem necessary, expedient, usual and proper.

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

**RESOLVED THAT** pursuant to the provisions of section 198, 269, 309, 310, and 311 read with XIII and all other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification or re-enactment

thereof for time being in force), subject to the provisions of the Articles of Association of the Company and such other approvals as may be necessary, **Shri Mukeshbhai J. Patel**, Director of the Company be and is hereby re-appointed as Wholetime Director for a further period of five years with effect from April 01, 2009 up to March 31, 2014, on the terms and conditions as stated below:

**(A) SALARY :** Not exceeding Rs. 3,50,000/- per month.

**(B) PERQUISITES**

Shri Mukeshbhai J. Patel, Wholetime Director shall be entitled to perquisites like furnished accommodation or house rent allowance in lieu thereof together with reimbursement of expenses for utilization of Gas, Electricity, Water, reimbursement of ordinary medical expenses, leave travel concession for self and their family including dependents, Children education allowance, club fees, premium towards personal accident insurance and mediclaim and all other payments in nature of perquisites and allowance subject to a ceiling of 10% of annual Salary per annum.

"Family" covers the spouse, the dependant children, and dependant parents of Wholetime Director.

**(C) OTHER TERMS:**

(a) Apart from the remuneration, Wholetime Director shall be entitled to:

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

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

(c) Encashment of leave at the end of tenure.

**RESOLVED FURTHER THAT** where in any financial year closing on and after April 01, 2009 the Company has no profits or its profits are inadequate, the enhanced remuneration may, with the approval of Central Government, or otherwise remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit as specified under Section II of Part II of Schedule XIII of the Companies Act, 1956, as amended for the time being in force be paid to Shri Mukeshbhai J. Patel, Wholetime Director.

**RESOLVED FURTHER THAT** in the event of any statutory amendment(s) or modification(s) or relaxation(s) by the Central Government to Schedule XIII of the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit of ceiling in order to give effect to such modification(s), relaxation(s) or variation(s) without any further reference to the Company in General Meeting.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may be in its absolute discretion deem necessary, expedient, usual and proper.

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

**RESOLVED THAT** pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications or re-enactment thereof and subject to such other approvals as may be necessary, consent and approval of the Company be and is hereby accorded to Shri Bhogibhai B. Patel a relative of Shri Rameshbhai Patel, wholtime director of the Company to hold and continue to hold an office or place of profit in the Company as Manager, Marketing at a salary which may exceed Rs.10,000/- per month together with usual allowances, benefits and amenities including provident fund and other benefits as per rules of the Company as mutually agreed upon between Shri Bhogibhai B. Patel and the Board of Directors of the Company with effect from October 1, 2009 and that the Board of Director be and are hereby authorized to grant from time to time to Shri Bhogibhai B. Patel, such increment or increments as the Board of Directors may in their discretion think fit, provided that the aggregate salary payable to him shall not exceed Rs.50,000/- per month.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as it may be necessary, expedient, usual and proper

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

**RESOLVED THAT** pursuant to the provisions of Section 149 (2A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the members of the company be and is hereby accorded to the company for commencing and carrying on of the business as specified under Clause3 of the Other Objects clause of the Memorandum of Association of the company (as detailed hereunder) as may be deemed fit by the Board of directors:-

To carry on the business of farming, Agriculture in its branches and to grow produce, manufacture, process, prepare, refine, extract, manipulate, hydrolyze, buy, sell, market or deal in all kinds of Agricultural, horticultural, dairy, poultry and farm produces and products including food grains, cereals, seeds, soyabeans, corn, corn oil, cash crops, plants, flowers, vegetables, edible oils, meat, fish, eggs, animal and human foods and food products.

**RESOLVED FURTHER THAT** Board of Directors of the company be and are hereby authorized to do all such acts, deeds, matters and things required in the matter.

#### NOTES:

1. The relevant Explanatory Statement pursuant to section 173 of the Companies Act, 1956 in respect of special business under items 6 to 11 set out in the Notice is annexed hereto.
2. 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 FORTY-EIGHT 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 ORGANIZATION.
3. Members should bring the duly filled in attendance slip sent herewith for attending the meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, November 24, 2009 to Monday, November 30, 2009 (both days inclusive). Members are requested to intimate, indicating their folio number, the changes, if any, in their registered addresses, either to the Company or to the Registrar and Share Transfer Agent, viz, Link Intime India Pvt. Ltd. 211, Sudarshan Complex, Nr. Mithakali Underbridge, Navrangpura, Ahmedabad 380009.
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 provisions 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 the 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 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 seven days before the date of Meeting to enable the Company to keep the information ready at the Meeting.

By Order of the Board of Directors

Place : Ahmedabad

**Vanita Agarwal**

Date : September 30, 2009

Company Secretary

Registered & Corporate Office:

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

#### EXPLANATORY STATEMENT

The following explanatory statement pursuant to section 173 of the Companies Act, 1956 set out all material facts relating to the special business mentioned in the accompanying notice dated 30th September, 2009.

##### Item no. 6 to 9

The Board of Directors, at their Meeting held on January 31, 2009 (based on recommendation of Remuneration Committee), re-appointed Shri Kamleshbhai Patel, Shri Hasmukhbhai Patel & Shri Rameshbhai Patel as Chairman cum Managing Director, Managing Director and Wholetime Director respectively of the company for a period of 5 years, with effect from January 01, 2009 on the terms and conditions as set out in the resolution subject to the approval of Members.

The Board of Directors at their Meeting held on April 29, 2009 (based on recommendation of Remuneration Committee), re-appointed Shri Mukeshbhai Patel as Wholetime Director of the company for a period of 5 years, with effect from April 01, 2009 on the terms and conditions as set out in the resolution subject to the approval of Members.

The Board of Directors recommends the adoption of the resolutions at item no. 6 to 9 of the Notice.

No director is in any way concerned or interested in the Resolution at item no. 6 to 9 of the Notice except Shri

Kamleshbhai Patel, Shri Hasmukhbhai Patel, Shri Rameshbhai Patel and Shri Mukeshbhai Patel to the extent of their appointment and payment of remuneration.

The particulars of Directors who are seeking appointment at the ensuing Annual General Meeting are furnished in the Corporate Governance section annexed to this report. The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms of appointment pursuant to Section 302 of the Companies Act, 1956.

##### Item No. 10

Shri Bhogibhai Patel (Brother of Shri Rameshbhai Patel, wholetime director) was appointed as Manager, Marketing of the Company w.e.f. October 01, 2009 at the Board Meeting held on September 30th, 2009.

Shri Bhogibhai Patel previously was wholetime director of the Asian Tiles Limited, our subsidiary company, which has been merged with the company w.e.f. April 01, 2008 by the order of High Court dated September 17, 2009. Shri Bhogibhai Patel has very long years of experience in marketing field of ceramic industry. His knowledge will be most valuable for furthering company's interest in this area. His appointment as marketing manager will benefit the Company immensely. Approval of members for his appointment is being sought by means of a special resolution.

The Board of Directors recommends the adoption of the resolution at item no. 10 of the Notice.

No director is in any way concerned or interested in the Resolution at item no. 10 of the Notice except Shri Rameshbhai Patel.

##### Item No. 11

The main business of the company is to manufacture trade and market various kind of ceramic, wall & vitrified tiles, etc. The said business would remain the focused business of the company. However, to enable the company to carry out activities as specified in clause 3 of the Other Objects Clause of the Memorandum of Association of the company, either directly on its own or indirectly, approval of members of the company is being sought by means of a special resolution.

The Board of Directors recommends the adoption of the resolution at item no. 11 of the Notice.

No director is in any way concerned or interested in the Resolution at item no. 11 of the Notice.

The copy of Memorandum and Articles of Association of the company is available for inspection by the members of the Company at its Registered Office between 11.00 AM to 1.00 PM on all working days till the date of Annual General Meeting.

By Order of the Board of Directors

Place : Ahmedabad

**Vanita Agarwal**

Date : September 30, 2009

Company Secretary

Registered & Corporate Office:

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



## DIRECTORS' REPORT

**Dear Members,**

Your Directors are pleased to present the 14th Annual Report and audited accounts of the Company for the year ended 31st March 2009.

### Financial Results

The performance of the Company for the financial year ended 31st March 2009 is summarized below:

	(Rs. in Lacs)	
	2008-2009	2007-2008
Sales & Other Income	35327.69	20415.85
Increase/ (Decrease) in Stock	2180.86	771.03
Wind power plant electricity generation income	98.16	0.00
Expenditure	31970.08	16416.70
<b>Profit/ (Loss) before interest &amp; depreciation</b>	<b>5636.63</b>	<b>4770.18</b>
Less: Interest	1140.83	584.70
Less: Depreciation	1093.40	547.04
<b>Profit before tax</b>	<b>3402.40</b>	<b>3638.44</b>
Less: Provision for current tax	641.00	816.89
Provision for deferred tax	252.71	129.36
Provision for fringe benefit tax	25.64	12.57
Less/Add: (Excess)/ Short provision of I.T. w/back	(18.31)	33.45
<b>Profit after tax</b>	<b>2501.36</b>	<b>2646.16</b>
Add: Balance Brought Forward	6096.17	3696.41
Less: Earlier year depreciation w/off	221.25	6342.56
Amount available for appropriation	8376.28	6342.56
Appropriations:		
Proposed Dividend on Equity Shares	0.00	210.61
Corporate Tax on Dividend on Equity Shares	0.00	35.78
Balance carried to Balance Sheet	8376.28	6096.16
Basic & Diluted EPS	11.88	14.35

### Amalgamation

The High Court of Gujarat has sanctioned the scheme of Amalgamation of the subsidiary company i.e. Asian Tiles Limited with the holding company i.e. Asian Granito India Limited vide its order dated September 17, 2009. The High Court has sanctioned the scheme w.e.f. April 01, 2008. Accordingly, effect of the order has been given in the preparation of financial results of the company. Detail on the same has been given in Schedule V (1) "Notes on Accounts" forming part of this annual report.

### 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 section forming part of Annual Report.

### Utilization of Funds

The details of the amount spent out of the proceeds of the public issue has been provided in Schedule V (2) "Notes on Accounts" forming part of this annual report.

### Dividend

The Board of Directors of your Company has decided to retain and plough back the profits into the business of the Company, thus no dividend is being recommended for this year.

### Extension of AGM

The company has applied & obtained extension of time from Registrar of Companies, Gujarat for holding Annual General Meeting for the year ended March 31, 2009 since the amalgamation procedure of the company was at its final stage.

### Results of Operations:

During the year the company has installed New Marble manufacturing Plant with an installed capacity of 2500 sq mtr per day and it has successfully commenced the commercial production from March 2009. The Company has achieved 81.93% capacity

utilization in Vitrified Tiles Plant whereas in Wall Tiles Plant it has achieved 59.88% capacity utilisation. The sales and the other income of the Company have increased to Rs.35327.69 lacs in comparison to the previous year of Rs. 20415.84 lacs. The Company has achieved EBITDA of Rs.5636.63 lacs during the year. The Net Profit after Tax for the year was Rs.2501.36 lacs as compared to Rs. 2646.15 lacs of the last year.

Your Directors are hopeful to achieve still better results in time to come.

#### **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 which forms part of this report.

#### **Particulars of Employees**

There was no employee falling in the category specified under section 217(2A) of the Companies Act, 1956, read with the Companies (particulars of employees) Rule, 1975.

#### **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 Company's auditors confirming compliance of Corporate Governance norms as stipulated in Clause 49 of Listing Agreement with the Stock Exchanges is included in the Annual Report.

#### **Board of Directors**

The Board of Directors at its meeting held on January 31, 2009 re-appointed Shri Kamleshbhai Patel, Shri Hasmukhbhai Patel & Shri Rameshbhai Patel as Chairman & Managing Director, and Managing Director & Wholtime Director respectively of the company for a period of 5 years, with effect from January 01, 2009.

The Board of Directors at its meeting held on April 29, 2009 re-appointed Shri Mukeshbhai Patel as Wholtime Director of the company for a period of 5 years, with effect from April 01, 2009.

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

The particulars of Directors who are seeking appointment at the ensuing Annual General Meeting are furnished in the Corporate Governance section annexed to this report.

#### **Auditors**

M/s A.L. Thakkar & Co., Chartered Accountants, Auditors, of the Company hold office upto the conclusion of the ensuing Annual General Meeting. The Company has received Certificate under section 224(1) (B) of the Companies Act, 1956 from them confirming their eligibility for re-appointment as Auditors of the Company.

#### **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.