

# Footprint beyond boundaries



Asian Granito India Ltd.

Regd. & Corp. Office: 202, Dev Arc, Opp. Iskcon Temple, S.G. Highway, Ahmedabad - 380 015.

Tel.: +91-79-66125500/698, Fax: +91-79-66125600/66058672

e-mail: [info@asiangranito.com](mailto:info@asiangranito.com), website: [www.asiangranito.com](http://www.asiangranito.com)

DISCLAIMER : We have no association with the Asian Paints Limited in any manner whatsoever.

# X-PONENTIAL!

Annual Report 2011-12



Asian Granito India Limited

Disclaimer

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CONTENTS		2	Corporate Identity	4	Financial Highlites			
14	Chairman Review		16	Strengths				
		20	Management Discussion and Analysis		26	Business Risks		
		28	Notice	32	Directors' Report	37	Corporate Governance Report	
45	Auditors' Report			48	Balance Sheet		49	Profit and Loss Account
		50	Cash Flow Statement		51	Notes to Financial Statements		

CORPORATE INFORMATION

Board Of Directors

Kamleshbhai Patel	Chairman cum Managing Director
Mukeshbhai Patel	Managing Director
Sureshbhai Patel	Director
Bhaveshbhai Patel	Director
Kanubhai Patel	Director
Bhogibhai Patel	Director
Maganlal Prajapati	Director
Maheshchander Julka	Director
Shankarlal Patel	Director
Ajendrakumar Patel	Director
Amrutbhai Patel	Director
Premjibhai Chaudhari	Director

Company Secretary

Renuka A. Upadhyay

Audit Committee

Maganlal Prajapati	Chairman
Maheshchander Julka	Member
Kamleshbhai Patel	Member

Remuneration Committee

Maganlal Prajapati	Chairman
Maheshchander Julka	Member
Shankarlal Patel	Member

Shareholders’ Grievance Committee

Maganlal Prajapati	Chairman
Maheshchander Julka	Member
Kamleshbhai Patel	Member

Auditors

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

Bankers

State Bank of India, Commercial Branch, Ahmedabad.  
Bank of Baroda, Navrangpura Branch, Ahmedabad.  
HDFC Bank, Navrangpura Branch, Ahmedabad.  
IDBI Bank, Ellisbridge Branch, Ahmedabad.

Registered & Corporate Office

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

Works

I. Ceramic Zone, Katwad Road,  
At & Po. Dalpur, Taluka Prantij 383 120,  
Dist: Sabarkantha.  
  
II. B/H Sardar Plant, Idar-383 430.  
Dist. Sabarkantha, Gujarat

Registrar & Share Transfer Agent

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



In a space decor sector, where growth is measured through nominal increases in revenue, profit and market share, there is the amazing story of Asian Granito India Limited.

The tiles sector grew by 14.28% in 2011-12. Asian Granito grew revenues

# 29.89%

The Company's performance can be encapsulated in one word.

**X-pponential!**

**Rising competition. And yet, Asian Granito carved out a total of 9% market share in western India.**

**Increasing competition. And yet, Asian Granito grew capacity 32-fold across 11 years.**

#### VISION

To enhance customer satisfaction and our image globally and achieve exponential growth in world ceramic and décor solutions

#### PRESENCE

Headquartered in Ahmedabad, the Company has manufacturing facilities spread across 3,50,000 sq. metre at Himmatnagar (Gujarat) and Idar (Gujarat)

#### PEDIGREE

Asian Granito was promoted by Mr. Kamlesh Patel and Mr. Mukesh Patel in 2000. The Company manufactures and markets interior and infrastructure products like tiles, marble and quartz stone.

#### PRODUCTS

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

#### Capacity

**81,000\***  
sq.mtrs per day

As on March 31, 2012

\*including outsourcing and imports

#### Business associates

**4,000 +**

#### Team size

**4,000**

As on March 31, 2012

## PERFORMANCE

Asian Granito has grown gross revenues from Rs. 140.65 cr in 2005-06 to Rs. 541.98 cr in 2010-11 and Rs. 703.99 cr in 2011-12. the Company accounts for a 9% share of the market in western India, one of the fastest growing tile consuming regions in India.

## PRODUCTION

Asian Granito has grown its capacity 32-fold in 11 years. Asian Granito commenced production with 2500 sq. metres per day in 2001. Progressive investments enhanced production capacity to 81,000 sq. metres per day.

## PRIDE

- Asian Granito markets products under the Asian umbrella brand. Asian Tiles World, Asian marble & Quartz, Bonzer 7 and Powergrace comprise popular category brands,
- Asian Granito was acknowledged as a 'Power Brand Rising Star' in India by Plannman Marcom in 2012. The Company's brands were recognised as the most trusted brands in the floor and wall categories in 2011 by Reader's Digest

### Showrooms/Exclusives

# 20

As on March 31, 2012

### Global presence

# 37

Countries (exports)

### Brands

# 4

Different brands or sub-brands of Asian Granito



## Shop-floor

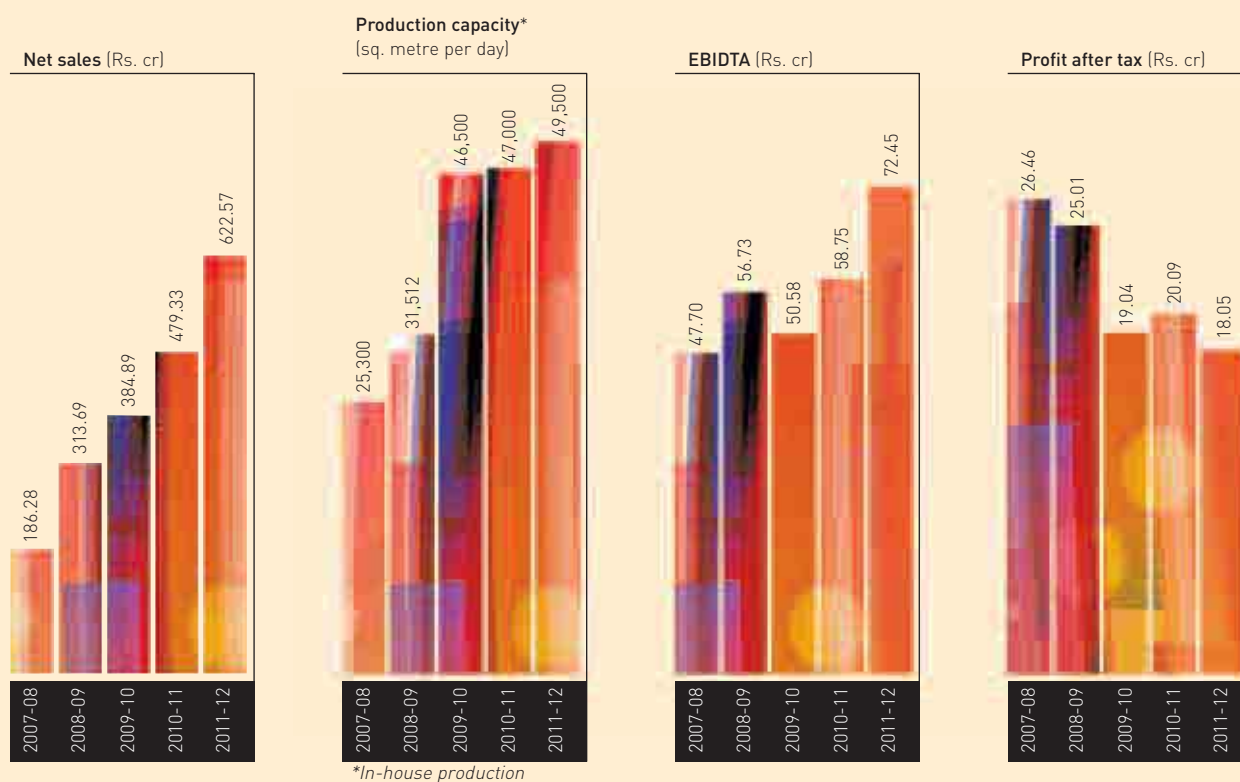
- Increased the production of high value products by 8%, taking it to 26% of the total portfolio
- Launched digital polished glazed vitrified tiles for the first time in India
- Widened the portfolio (sizes and finishes) across the tile, marble and quartz stone segments

- Invested USD 14,30,475 to expand marble quartz processing capacity
- Imported USD 5,05,000 of equipment to streamline dryers for the press of the vitrified tile division
- Invested USD 1,185,960 and EURO 4,57,000 to increase production and product quality

## Markets

- Increased sales by 29%
- Increased the proportion of premium products from 8% of the portfolio to 26%
- Increased the proportion of premium quality products to 90%
- Extended presence to 37 countries and all Indian states.

# THE LAST FIVE YEARS WERE AMONG THE MOST CHALLENGING IN DECADES.



- Increased market presence to 20 showrooms-cum-exclusives under the 'Asian' brand and 4,000 dealers and sub-dealers across India.

- Provided digital polished glazed and vitrified polished vitrified tiles to major metro cities and states.

- Launched 59 vitrified tile designs and 177 wall tile designs

- Introduced 248x325mm wall tiles with highlighters and décor for the first time in India

### Boardroom

- Entered into a joint venture agreement with Panaria Group (Italy) for technical knowhow and access to its global sales network

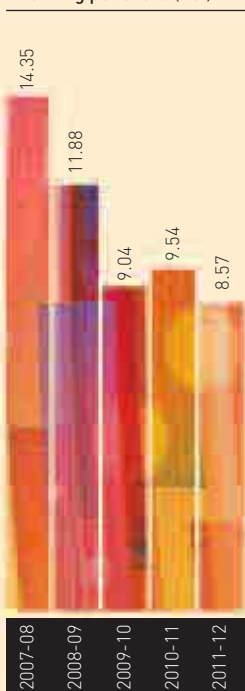
- Created a new business vertical

(Aston Paper Mill) to manufacture kraft paper, commissioned 200 metric tonne per day manufacturing facility at Halvad in Gujarat.

- Integrated backwards into the manufacture of box packaging and printing corrugated material, the first such instance in India's ceramic tile sector

# ASIAN GRANITO GREW REVENUES REGARDLESS. XPONENTIAL.

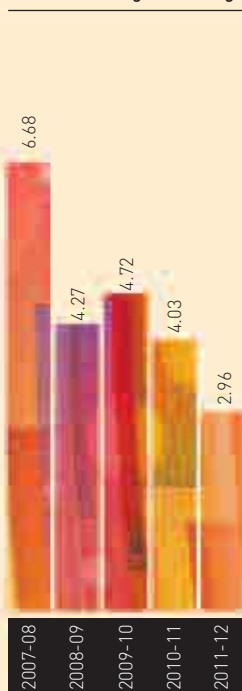
Earning per share (Rs.)



Book value per share (Rs.)

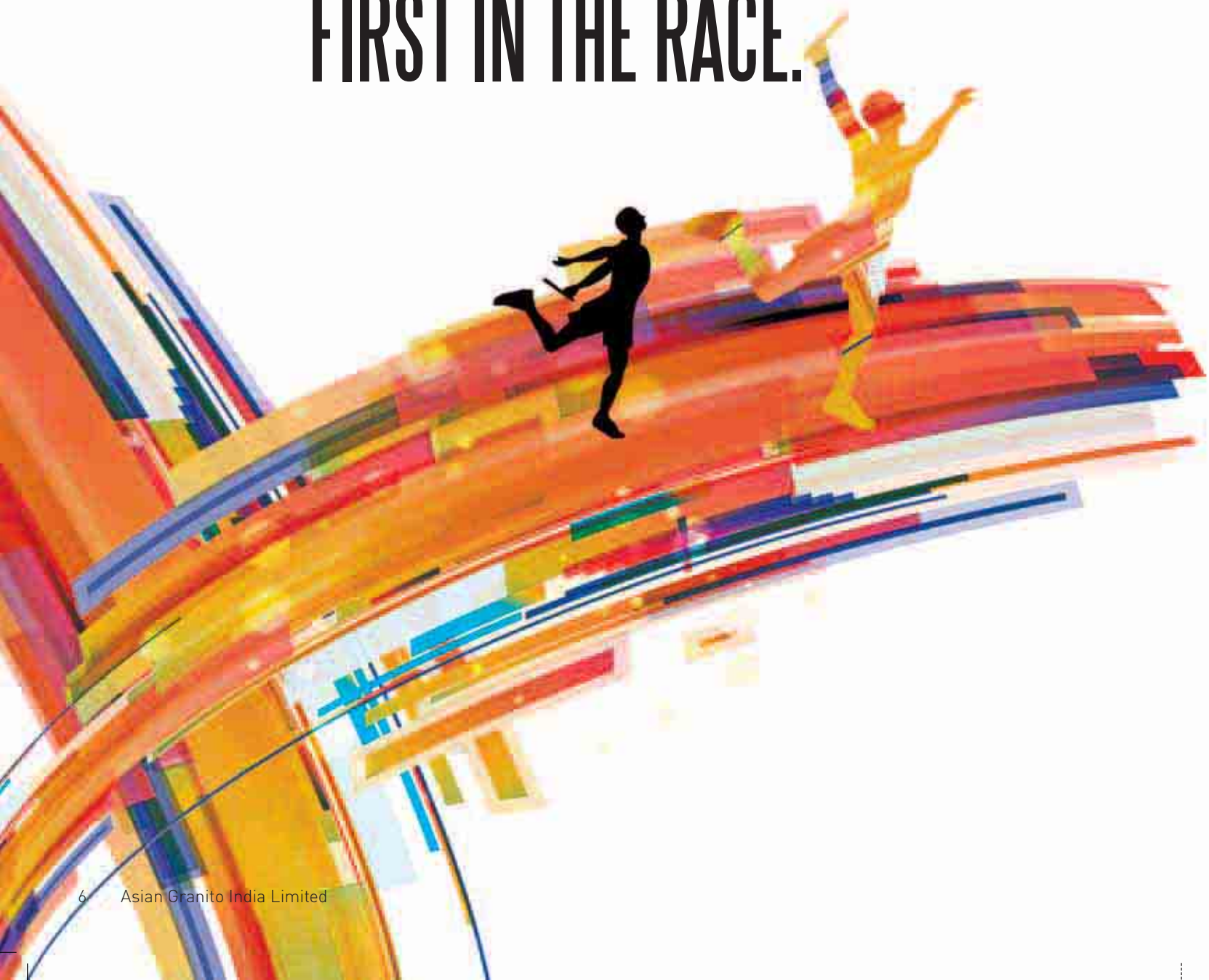


Financial Charges Coverage



# X-PLOSIVE.

FIRST IN THE SPACE.  
FIRST IN THE RACE.





**W**HEN YOU WORK WITH PRODUCTS AS MATURE AS TILES AND FLOORING ALTERNATIVES, THERE IS A DANGER OF CONVINCING ONESELF THAT WHATEVER THAT IS NEEDED – SIZES, COLOURS AND FINISHES – HAS ALREADY BEEN INVENTED.

**ASIAN GRANITO DARED TO THINK DIFFERENT.**

Over the last decade, the Company established a reputation around innovation. New tile sizes. New tile finishes. New concepts.

For instance, we introduced white body wall tiles for the first time in India with the following features: enhanced surface brightness and contrast, enhanced durability, better planarity, superior anti-bacterial and anti-fungal properties.

The Company pioneered the manufacture of composite marble stone in India. The marble composition (comprises more than 90% recycled material) enjoys lower surface pin holes, customised design, various colour

options and combinations, along with the facility of being re-polished.

The Company introduced 450x900mm and 600x1200mm digital vitrified tiles for the first time in India.

The Company manufactured composite marble stone (3025x1225mm) and quartz stone (3075mm x 1275mm) addressing large size requirements.

**The result is a distinctive brand recall:** 'If there is something new in the marketplace, it must be from Asian Granito!' And a 29.89% revenue growth in 2011-12 compared with the industry growth of 14%.

**86%**

CAGR of white body tile sales in the last three years

**4%**

Approximate Premium in price over red body tiles

**1**

Ranked in India for selling composite marble stone

**125%**

CAGR of marble stone sales over the last three years

# **X-CITING.**

**DECLINING VARIATION.  
RISING MARGINS.**