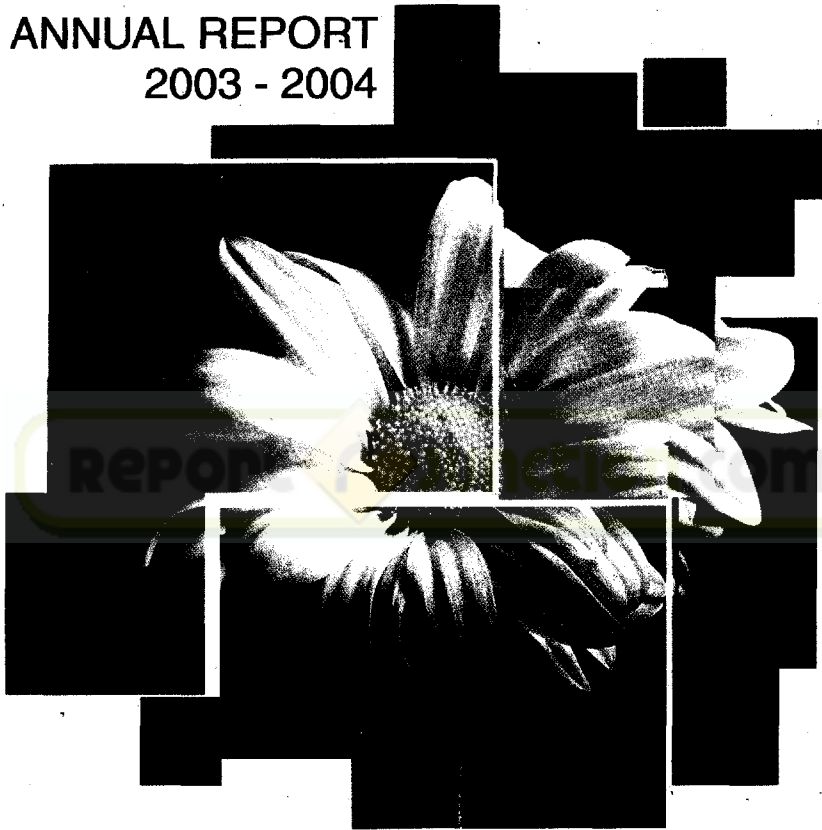


ANNUAL REPORT  
2003 - 2004



**Tiles that touch your soul**

**Kajaria**  
Kajaria Ceramics Limited

# V i s i o n

To remain in the forefront in the ceramic tile industry.

To retain the highest brand recall in the mind of discerning customers for quality, designs and as a provider of new concepts and ideas.

To reach into everyone's dream home.

To follow the principles of transparency, high business ethics, global quality standards and in creating new intellectual assets.

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# Message from the Chairman and Managing Director

**Dear Shareholders,**

In spite of uncertainties prevailing across the world, our country's macroeconomic environment not only remained steady during the year 2003-04 but also reimposed the positive outlook of domestic economy. Economic performance was quite robust with growth rate of GDP at 8% in 2003-04 (previous year 4%) mainly due to a good monsoon. Robustness in the agricultural and strong industrial & service sector activities lead to a revival in consumer sentiments and improved demand across the business. The Indian economy continues *inter alia* with low inflation, adequate forex reserve, spurt in exports and containment of fiscal deficit.

## **Ceramic Tile Industry**

With the government's continued thrust on growth of housing sector, easy availability of housing finance at cheaper rates and extension of tax benefits to the housing projects, the industry is expected to grow at 20% per annum from 2004-2005 and for the next 5 years.

## **Kajaria Performance, Achievements and Success**

During the year under review your Company has registered a turnover of Rs. 2698 million as compared to Rs. 2390 million in the previous

year, reflecting a growth of 13%. Despite continued cut in natural gas supply (up to 15th March, 2004) in the Sikandrabad plant and substantial increase in fuel prices, the net profit (after tax) has increased from Rs. 99 million to Rs. 118 million showing a growth of 19%. The increased profit for the year has been mainly on account of increase in sales in the domestic market, continuously falling interest rates and effective cost control measures.

The Company continues as a leading manufacturer and the largest exporter of ceramic tiles in the country with a strong brand name 'Kajaria' - one of the top economic brands in the country rated by the Centre for Monitoring Indian Economy (CMIE) in its recent survey.

Apart from having certifications of the prestigious ISO 9002, ISO 14001 and OHSAS 18001, during the year the Company has also been awarded the certification of SA 8000:2001 for its Social Accountability and has become World No. 1 in Ceramic field and No. 11 in India in totality.

The Company has consistently pioneered and is the first to introduce the latest international quality product of Group V floor tiles for heavy traffic areas like commercial complexes, airports, etc. The Company has also introduced and displayed more than 250 concepts and

designs to the architects, builders and to its users all over India with a series of exhibitions named Caravan.

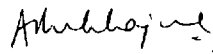
To meet the demand of fast changing markets Kajaria is importing bigger sized Ceramic tiles and trading Vitrified tiles for providing a complete range to its dealers and builders.

In view of robust growth in the housing sector, I am pleased to inform you that the Company is

expanding its capacity of floor tiles at the Sikandrabad plant by 3.5 million sq. mtrs. per annum at an estimated cost of Rs. 500 million, which will also contribute in bringing down the production costs and improving profitability.

With the continued support from the shareholders, customers, employees and well wishers, the future of your Company is bright and we are confident of maintaining our growth momentum. The Company will always remain transparent, committed to growth, good governance and generate consistently greater shareholder value.

Warm regards,



**Ashok Kajaria**



**Ashok Kajaria**

# The Kajaria manufacturing units Expanding to greater heights

Kajaria Ceramics Ltd. aims at expanding itself to meet the growing demands. Its manufacturing plants in Gailpur (Rajasthan) and Sikandrabad (UP) are the places where global technology is applied to produce the finest Indian tiles. Increasing production from 12 million sq. mtrs.

to 14 million sq. mtrs. of tiles per annum has added to Kajaria's output. With certificates like ISO 14001 for environmental standards, ISO 9001 for quality and OHSAS 18001 for benchmarking safety systems (the first in India), these plants also fulfil international norms.

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# New additions

## Developing new works of art

Over the years, Kajaria has become synonymous with innovation. New techniques are diligently applied to create tiles that stand apart and speak the language of your soul. Hence every year, we come up with exciting new concepts that voice new emotions and keep up

with current trends. It is a continuous process, which allows us to express through tiles what words can't say and provide our consumers with new and innovative options. The new range of tiles released this year adds to the already impressive Kajaria collection.

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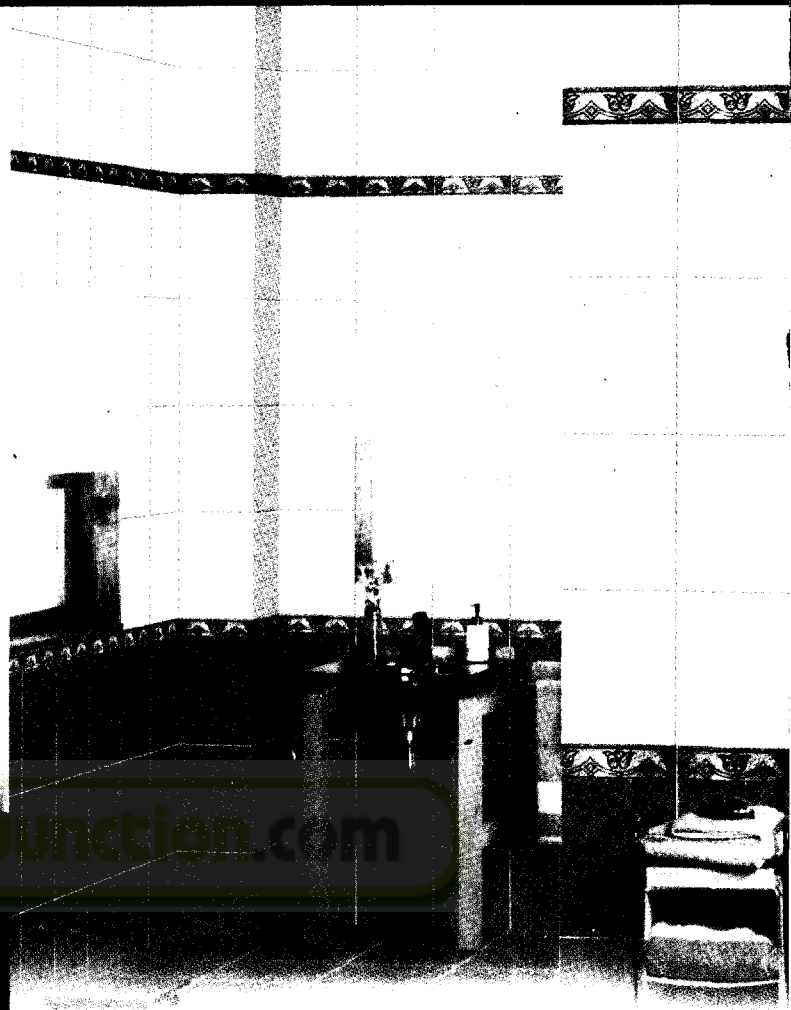
# Trendsetting tiles

## Rectificado

Rectificado tiles represent a unique lifestyle where houses are not just houses. They are compact and elegant with perfectly straight borders that allow joint-free ceramic masterpieces. Using most advanced "Sharp Edge Technology", Rectificado tiles are perfectly squared with negligible size tolerance, almost similar to marble stone slabs.



Magica Beige/Magica Cotto



Futura Blanco/Futura Cobalt Blue

## Futura

The Futura series of wall tiles are born out of passion and develop into a form of ceramic art, whose strokes trace the lineament of a new identity. This product is a living expression of a creative gesture, one that generates rational tangibility and arouses emotion in the depth of the soul.

# Trendsetting tiles

## Tartara

The relation of art to nature has inspired the Tartara tiles, translating the stone surface and the structure of the mineral world into aesthetic products. These matt finished tiles are ideal for all places.



Tartara Beige/Tartara Crema



Idea Crema/Idea Brown

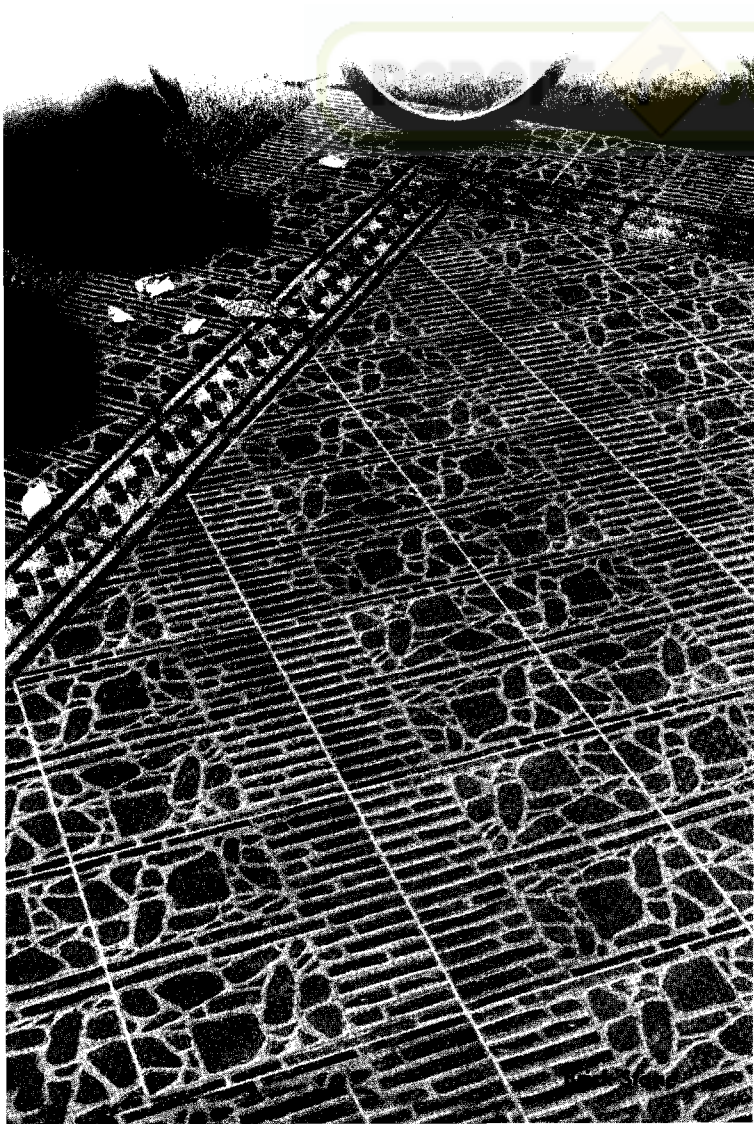
## Idea

Born with the advantage of both horizontal and vertical applications, this series is suitable for application in bathrooms and any other place that requires the aesthetic appeal of curves.

# Trendsetting tiles

## Brick Stone

Brick Stone is the latest from Kajaria, a 40x40 cm tile in brick red colour, suitable for both exterior and interior use. It is versatile as well as good to look at, and can be used to bring life to designs with an earthen look. Brick Stone can be used for fascia, verandah, balcony and passage cladding.



Angelo Beige/Angelo Beige Forte

## Large Format

These are some of the biggest tiles manufactured in India, with each measuring 25x40 cms. Available in several design options including Angelo Beige, Angelo Beige Forte, Crema, Bermuda Blanco, Bermuda Crema and Satinato, it has enough variety to capture the deepest corners of your imagination. Tailor-made for both bathroom and kitchen walls, they offer better space management with lower number of tiles required per sq. mtr. They are the perfect cause for you to dream big and beautiful, after all size does matter.