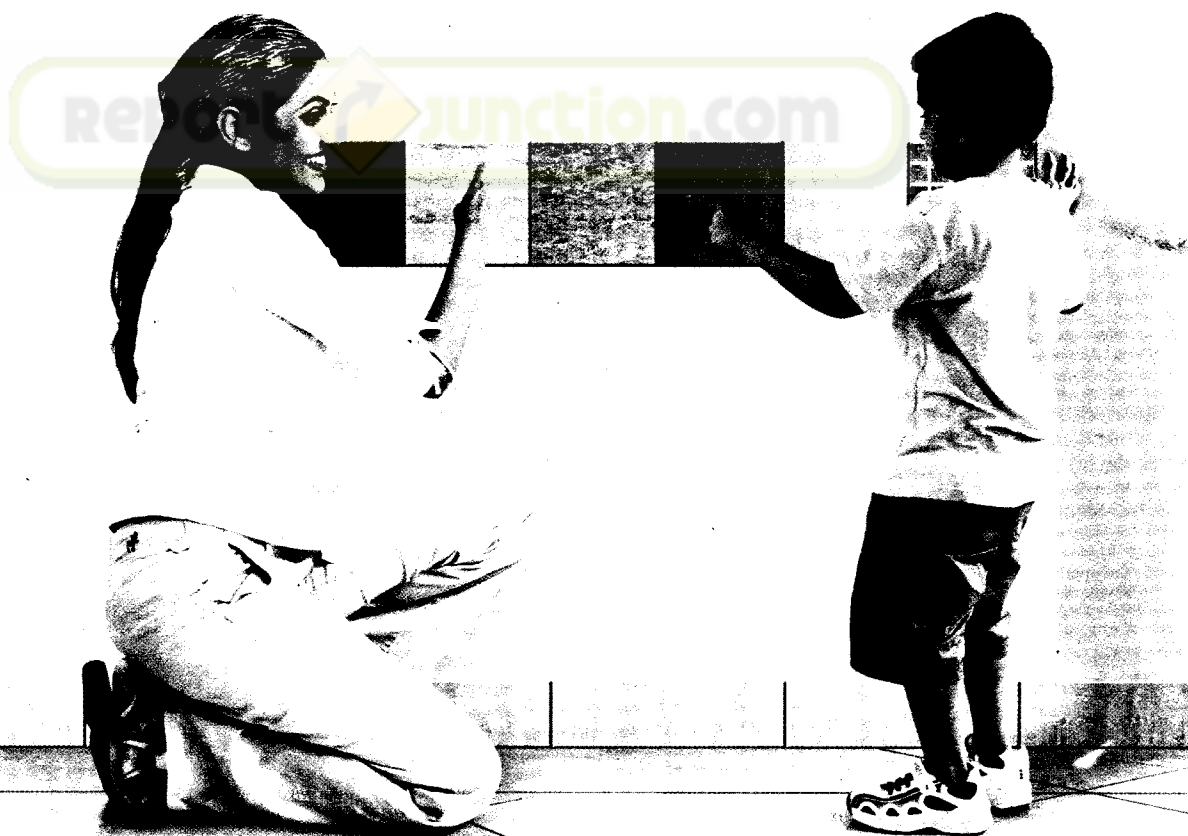


Doing things
right.
Doing the right
things.



Kajaria Ceramics Limited | Annual Report, 2008-09

Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements 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 'anticipate', 'estimate', '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 realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and estimates taken as assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.



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Kajaria Ceramics. Superbrand.

India's largest ceramic floor
and wall tile manufacturer and
exporter.

Offers the widest range in wall
and floor tiles.

Pioneered the introduction of
'Group 5' tiles in India.



Doing things right. Doing the right things.

Small change. Big difference.

At Kajaria, we responded with both in a
challenging 2008-09.

Widening our portfolio.

Strengthening our quality.

Delighting our customers.

The result: outperformed industry and
peer performance.

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Pedigree

- ❑ Commenced operations in 1988.
- ❑ Promoted by Mr. Ashok Kajaria and Kajaria Exports Limited in technical collaboration with Todagres, S. A., Spain.

Products

- ❑ Manufactures ceramic glazed wall and floor tiles.
- ❑ Customises floor tiles for diverse applications in heavy footfall spaces, pavements, landscapes, living rooms and bathrooms, among others.
- ❑ Imports vitrified tiles of superior quality, gloss, polish and durability from China.
- ❑ Imports high-end tiles from leading European brands.
- ❑ Imports sanitaryware marketed under the Kerovit brand.

Presence

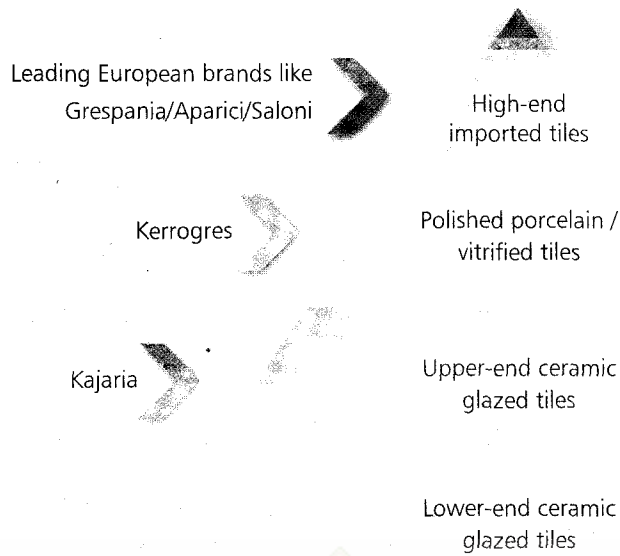
- ❑ Headquartered in New Delhi (India) with two manufacturing facilities in Sikandrabad and Gailpur.
- ❑ Sikandrabad unit's annual floor tile capacity is 6.9 mn sq. mtrs ; Gailpur unit's annual wall tile capacity is 14.10 mn sq. mtrs.
- ❑ Pan-India dealer and sub-dealer network.
- ❑ Kajaria World showrooms exhibiting imported tiles across India.
- ❑ Export presence across more than 20 nations.

Pride

- ❑ Selected as a 'Business Superbrand' for the fourth time in a row.
- ❑ Awarded the membership of Indian Green Building Council, the first ceramic tile company with this accreditation.

Report  Junction.com

Our value-chain



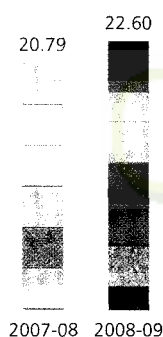
Report  junction.com

Most people postponed purchases in a challenging 2008-09.

Kajaria's principal achievement is that it marketed more in this difficult year.

Financial highlights

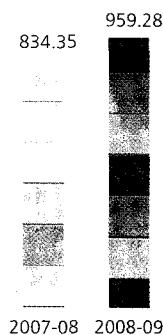
Sales (mn sq. mtrs)



Net sales (Rs. million)



EBIDTA (Rs. million)



PAT (Rs. million)



- Introduced new tile sizes – 30x60 cm and 30x45 cm in rectified wall tiles and 45x45 cm joint-free floor tiles.
- Strengthened dealers and sub-dealers network; opened seven Kajaria World showrooms in 2008-09.

Post-balance sheet developments

- The Company entered into an agreement with Gas Authority of India Ltd (GAIL) for the supply of natural gas to the Gailpur facility, which is currently using propane, a higher cost fuel; supply is expected to commence from January 2010.
- The Indian Government imposed an anti-dumping duty of Rs. 137 per sq. mtr on ceramic glazed wall and floor tiles imported from China, strengthening opportunities for the Indian ceramic tile industry.

Analysis of our Q1/2009-10 performance

Kajaria registered an improved performance of the last five quarters in the quarter ending June 30, 2009. The Company reported a turnover of Rs. 1,598.8 million for the quarter ended 30th June 2009 against Rs. 1,660.2 million in the corresponding previous quarter. The EBIDTA for the quarter ended June 30, 2009 increased to Rs. 253.5 million as against Rs. 195.8 million in the corresponding previous quarter. Net profit grew to Rs. 60.4 million against Rs. 23.2 million in the corresponding previous quarter. This was largely due to the positive impact of operating efficiencies at its units and an increased share of value added tiles in its product basket.

