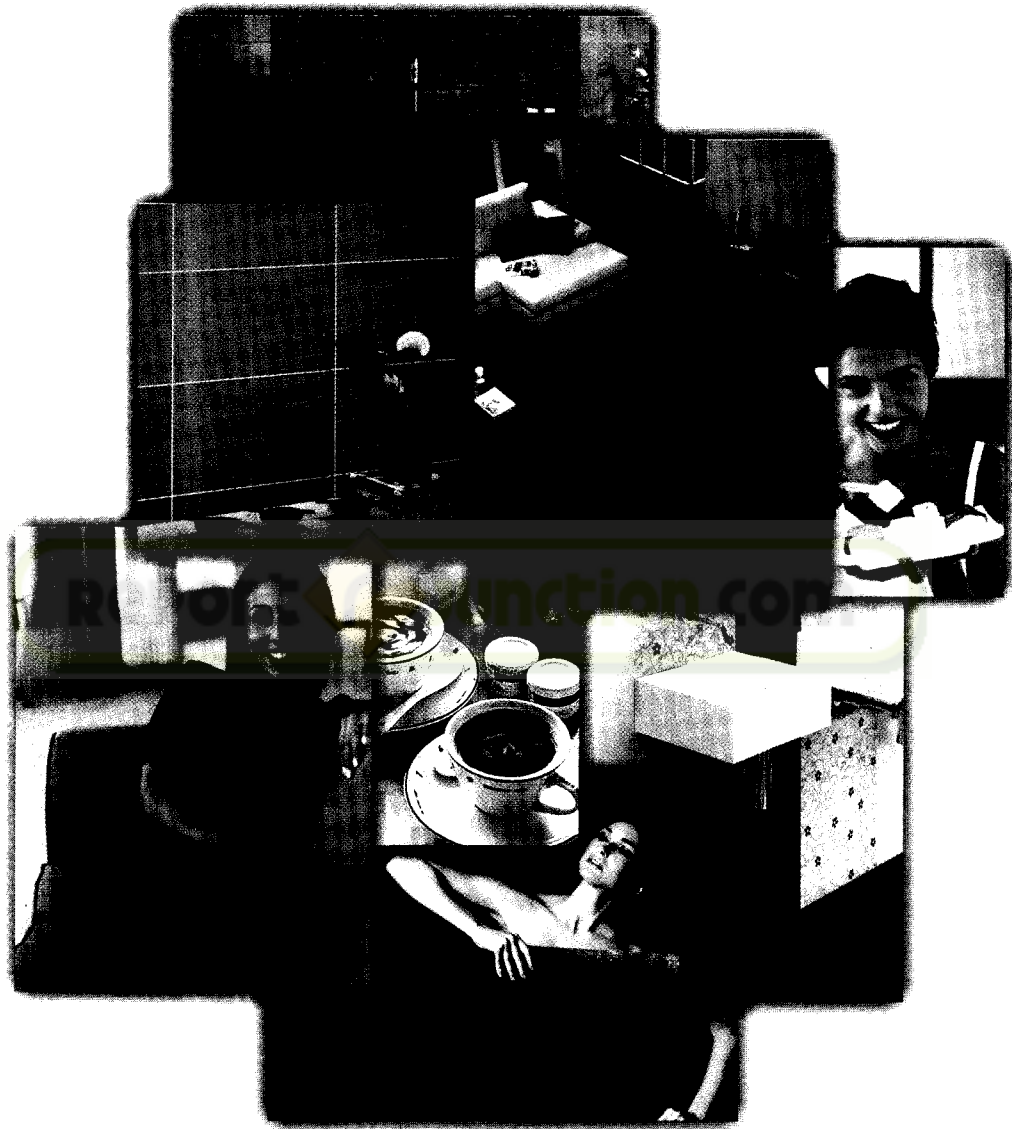


SOMANY®



Annual Report 2007-08

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BOARD OF DIRECTORS

Shreekant Somany, Chairman & Managing Director

Abhishek Somany, Joint Managing Director

G.G. Trivedi, Executive Director

G. L. Sultania

R. L. Gaggar

R. K. Daga

Salil Singhal

Ravinder Nath

Sunil Trikha, Nominee Director

COMPANY SECRETARY

Samir Raheja

MANAGEMENT TEAM

A. K. Beejawat, President

R. K. Lakhotia, Vice President (Finance)

Ketan Dave, Vice President (Technical)

T.K. Jena, Vice President (Sales & Marketing)

R. P. Mittal, Vice President (Commercial)

BANKERS

Punjab National Bank Limited

Industrial Development Bank of India Limited

AUDITORS

Lodha & Company

REGISTERED OFFICE

82/19, Bhakerwara Road, Mundka

New Delhi - 110 041

email : marketing@somanyceramics.com

WEBSITE

www.somanyceramics.com

Somany Ceramics Limited

Regd. Office: 82/19, Bhakerwara Road, Mundka, New Delhi - 110 041

NOTICE OF THE 40th ANNUAL GENERAL MEETING

Notice is hereby given that the 40th Annual General Meeting of the Members of Somany Ceramics Limited will be held at HL Somany Hall, ASSOCHAM, 47 Prithvi Raj Road, New Delhi – 110 011 on Monday the 22nd September, 2008 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, 2008 and the Profit & Loss Account for the year ended on that date together with the Report of Directors' and Auditors' thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Salil Singhal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri R. K. Daga, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification(s) the following resolutions :

6. As a Special Resolution
Re-appointment of Shri Shreekant Somany as Chairman & Managing Director

"RESOLVED THAT in accordance with and subject to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ('the Act') and subject to such other approvals and/or sanctions as may be necessary, consent and/or approval of the shareholders of the Company be and is hereby accorded to the re-appointment of Shri Shreekant Somany ('Shri Somany') as the Chairman and Managing Director of the Company, who shall not retire by rotation pursuant to the relevant provisions including Section 257 of the said Act read with Articles of Association of the Company for a period of 3 (three) years commencing from 1st September, 2008 till 31st August, 2011 and to his receiving remuneration by way of salary, commission, perquisites and/or allowances as the Chairman and Managing Director as recommended by the Remuneration Committee and upon the terms, conditions and stipulations contained in the draft Agreement to be entered into between the Company of the ONE PART and Shri Somany of the OTHER PART and also set out in the explanatory statement attached to the notice convening the Fortieth Annual General Meeting of the Company (a draft, whereof is placed before the meeting and for the purpose of identification, is subscribed by the Chairman) which Agreement is specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms,

conditions and stipulations of the said re-appointment of Shri Somany, the Chairman and Managing Director and/or remuneration payable to him and/or agreement containing the terms and conditions as may be agreed to between the Board of Directors and Shri Somany, provided, however, that the remuneration payable to Shri Somany, shall not exceed the maximum limits for payment of managerial remuneration specified in Schedule XIII to the said Act or any amendment thereto as may be made from time to time or the laws or guidelines as may for the time being in force."

"RESOLVED FURTHER THAT where in any financial year, during his term of office, the Company makes no profits or its profits are inadequate, the Company may pay Shri Somany minimum remuneration by way of salary, perquisites and/or allowances subject to the maximum ceiling calculated in accordance with the scale laid down in Section II, Part II of Schedule XIII to the said Act, as applicable to the Company at the relevant time depending upon the capital of the Company and as may be agreed to by the Board of Directors of the Company and acceptable to Shri Somany, as the Chairman and Managing Director of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to this resolution."

7. As Special Resolution
Re-appointment of Shri G. G. Trivedi as Executive Director

"RESOLVED THAT in accordance with and subject to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ('the Act') and subject to such other approvals and/or sanctions as may be necessary, consent and/or approval of the shareholders of the Company be and is hereby accorded to the re-appointment of Shri G. G. Trivedi ('Shri Trivedi') as the Executive Director of the Company, for a period of 3 (three) years commencing from 1st November, 2008 till 31st October, 2011 and to his receiving remuneration by way of salary, commission, perquisites and/or allowances as the Executive Director as recommended by the Remuneration Committee and upon the terms, conditions and stipulations contained in the draft Agreement to be entered into between the Company of the ONE PART and Shri Trivedi of the OTHER PART and also set out in the explanatory statement attached to the notice convening the Fortieth Annual General Meeting of the Company (a draft, whereof is placed before the meeting and for the purpose of identification, is subscribed by the Chairman) which Agreement is specifically sanctioned with liberty to the Board of Directors

Somany Ceramics Limited

to alter, vary and modify the terms, conditions and stipulations of the said re-appointment of Shri Trivedi, the Executive Director and/or remuneration payable to him and/or agreement containing the terms and conditions as may be agreed to between the Board of Directors and Shri Trivedi, provided, however, that the remuneration payable to Shri Trivedi, shall not exceed the maximum limits for payment of managerial remuneration specified in Schedule XIII to the said Act or any amendment thereto as may be made from time to time or the laws or guidelines as may for the time being in force."

"RESOLVED FURTHER THAT where in any financial year, during his term of office, the Company makes no profits or its profits are inadequate, the Company may pay Shri Trivedi minimum remuneration by way of salary, perquisites and/or allowances subject to the maximum ceiling calculated in accordance with the scale laid down in Section II, Part II of Schedule XIII to the said Act, as applicable to the Company at the relevant time depending upon the capital of the Company and as may be agreed to by the Board of Directors of the Company and acceptable to Shri Trivedi, as the Executive Director of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to this resolution."

8. As a Special Resolution

Re-appointment of Shri Abhishek Somany as Joint Managing Director

"RESOLVED THAT in accordance with and subject to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ('the Act') and subject to such other approvals and/or sanctions as may be necessary, consent and/or approval of the shareholders of the Company be and is hereby accorded to the re-appointment of Shri Abhishek Somany ('Shri Somany') as the Joint Managing Director of the Company, who shall not retire by rotation pursuant to the relevant provisions including Section 257 of the said Act, read with Article of Association of the Company for a period of 3 (three) years, commencing from 1st June, 2009 till 31st May, 2012 and to his receiving remuneration by way of salary, commission, perquisites and/or allowances, as the Joint Managing Director as recommended by the Remuneration Committee and upon the terms, conditions and stipulations contained in the draft Agreement to be entered into between the Company of the ONE PART and Shri Somany of the OTHER PART and also as set out in the explanatory statement attached to the notice convening the Fortieth Annual General Meeting of the Company (a draft, whereof is placed before the meeting and for the purpose of identification, is subscribed by the Chairman) which Agreement is specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms, conditions and stipulations of the said re-appointment of Shri Somany, the Joint

Managing Director and/or remuneration payable to him and/or agreement containing the terms and conditions as may be agreed to between the Board of Directors and Shri Somany, provided, however, that the remuneration payable to Shri Somany, shall not exceed the maximum limits for payment of managerial remuneration, specified in Schedule XIII to the said Act, or any amendment thereto as may be made from time to time or the laws or guidelines as may for the time being in force."

"RESOLVED FURTHER THAT where in any financial year, during his term of office, the Company makes no profits or its profits are inadequate, the Company may pay Shri Somany minimum remuneration by way of salary, perquisites and/or allowances subject to the maximum ceiling calculated in accordance with the scale laid down in Section II, Part II of Schedule XIII to the said Act., as applicable to the Company at the relevant time depending upon the capital of the Company and as may be agreed to by the Board of Directors of the Company and acceptable to Shri Somany, as the Joint Managing Director of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be considered necessary desirable or expedient to give effect to this resolution."

9. As a Special Resolution

Remuneration by way of Commission to Non Executive Directors

"RESOLVED that in accordance with and subject to the provisions of Section 309(4) of the Companies Act, 1956, the Company do hereby authorize the payment to the Directors of the Company (other than Managing and Whole Time Directors, if any) of a commission (to be divided amongst them, in such amounts or in proportion and in such manner as may be determined by the Board of Directors of the Company, from time to time and in default of such determination, equally) of 1% (one percent) of the net profits of the Company, to be computed in the manner prescribed in Sub-section (1) of Section 198 of the Companies Act, 1956, referred to in Sub-section (5) of Section 309 of the Companies Act, 1956 in any financial year of the Company, for a further period of five years, commencing from 1st April, 2008 and upto 31st March, 2013."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, proper and expedient in order to give effect to the above Resolution."

By Order of the Board

Place : New Delhi
Date : 22nd May, 2008

Samir Raheja
Company Secretary

NOTES:

1. A Member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on a poll, instead of himself. A Proxy need not be a member of the Company. Proxies, in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 8th September, 2008 to Monday, the 22nd September, 2008 (both days inclusive).
3. Dividend on equity shares as recommended by the Directors, if declared at the meeting will be payable to those members whose name appears on the Register of Members of the Company as on 22nd September, 2008 and in respect of shares held in the dematerialised form, to those beneficial owners whose particulars will be furnished by the Depositories on the said date.
4. Members/Proxyholders are requested to bring their copies of Annual Report alongwith them at the meeting.
5. In accordance with the provisions of Section 205(A) of the Companies Act, 1956 the Company has from time to time transferred unclaimed/unpaid dividend for and upto the Financial Year ended 31st March, 1995 to the General Revenue Account of the Central Government. Members who have a valid claim to any of the unclaimed/ unpaid dividend as aforesaid may claim the same from the Registrar of Companies, NCT of Delhi & Haryana, New Delhi.
6. In accordance with the provisions of Section 205 (C) of the Companies Act, 1956, the Company has transferred unpaid/unclaimed amount of Refunds against Rights Cum Public Issue of the Company made in the year 1993, unclaimed dividend for the year ended 31st March, 1996 to 31st March, 2000 and Debenture Redemption amount and interest on such Debentures upto 30th September, 2000 to Investor Education and Protection Fund. The amount of dividend for the financial year ended on 31st March, 2001 and thereafter remaining unclaimed or unpaid for a period of 7 (seven) years from the date of payment or transfer to the unpaid dividend account shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government and no claim shall lie against the Company or the said Fund for such transfer and upon such transfer.

Members who have not encashed their Dividend Warrants for the financial year ended 31st March, 2001 and onwards are requested to lodge their claim with the Company forthwith.
7. Members are requested to intimate to the Company, their query(ies), if any, on the Accounts and operations atleast 10 days before the meeting to keep the information ready at the meeting.

8. Members holding shares in physical form are requested to notify any change in the address and the Bank Account particulars to the Registrar & Transfer Agent M/s. Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, Kolkata 700 001. Telephone No. 2248 2248, Fax No. 2248 4787.
9. Members who hold shares in dematerialized form are requested to bring their Depository ID Number and Client ID Number for easier identification of attendance at the Annual General Meeting.
10. Members having multiple folios in the same order of name(s) may inform the Company for consolidation into one folio.
11. Brief resume along with other details, pursuant to Clause 49 of the Listing Agreement in respect of Non-Executive Directors offered for re-appointment are given under the Corporate Governance section of the Annual Report.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6, 7 & 8

The present term of Shri Shreekant Somany (Shri Somany) as Chairman and Managing Director of the Company expires by efflux of time on 31st August, 2008.

Shri Shreekant Somany (Shri Somany), aged about 60 years is an Industrialist and currently the Chairman and Managing Director of the Company. He is a graduate and holds Bachelor of Science degree. He has over 36 years experience of business and Ceramic Industry. He is on the Board of Directors of Companies, namely Shree Cement Ltd., Cosmos Ferrites Ltd. and other group Investment Companies.

Having regard to the long association of Shri Shreekant Somany with the Company and his considerable knowledge and experience in Ceramic Industry, the Board of Directors at its meeting held on 22nd May, 2008 has re-appointed Shri Somany, as non-retiring Chairman and Managing Director of the Company, not liable to retire by rotation, for a fresh term of 3 (three) years commencing from 1st September, 2008 to 31st August, 2011. His appointment and remuneration fixed by the Board have been recommended by the Remuneration Committee and are in accordance with Schedule XIII to the Companies Act, 1956 ("the Act").

Similarly, the present term of Shri G. G. Trivedi as Executive Director of the Company expires by efflux of time on 31st October, 2008.

Shri Trivedi, aged about 62 years is M. Sc. (Electronics), L.L.B. and AICWAI and has been associated with the Company since 1987.

The Board of Directors of the Company at its meeting held on 22nd May, 2008 has re-appointed Shri G. G. Trivedi, as Executive

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Director of the Company for a fresh term of 3 (three) years commencing from 1st November, 2008 to 31st October, 2011. His appointment and remuneration fixed by the Board have been recommended by the Remuneration Committee and are in accordance with Schedule XIII to the Companies Act, 1956 ('the Act').

Similarly, the present term of Shri Abhishek Somany as Joint Managing Director of the Company expires by efflux of time on 31st May, 2009.

Shri Abhishek Somany, aged about 36 years is an Industrialist and currently Joint Managing Director of the Company. He is Bachelor of Business Administration from Richmond University, U.K. with specialisation in Finance & Marketing.

The Board of Directors of the Company at its meeting held on 22nd May, 2008 has re-appointed Shri Abhishek Somany, as non-retiring Joint Managing Director of the Company for a fresh term of 3 (three) years commencing from 1st June, 2009 to 31st May, 2012. His appointment and remuneration fixed by the Board have been recommended by the Remuneration Committee and are in accordance with Schedule XIII to the Companies Act, 1956 ('the Act').

The Board of Directors has fixed the following remuneration as per recommendation by the Remuneration Committee to be paid to Shri Shreekant Somany, as Chairman and Managing Director, Shri G. G. Trivedi, as Executive Director and Shri Abhishek Somany, as Joint Managing Director during their respective fresh terms with power to make such variation or increase therein as may be thought fit from time to time, but within the ceiling laid down in Schedule XIII to the said Act, or any statutory amendment or relaxation thereof;

Unless the context otherwise requires, perquisites are classified into three categories A, B and C as follows:-

CATEGORY – A

This will comprise of house rent allowance, leave travel concession, medical reimbursement, fees of clubs and personal accident insurance. These may be provided for as under :-

House Rent Allowance

The appointees shall be entitled to House Rent Allowance as may be recommended by the Remuneration Committee and granted by the Board subject to the ceiling of 60 (Sixty) percent of their respective salary.

Explanation :

The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10 (ten) percent of the salary of the appointees.

Medical Reimbursement

Expenses incurred for the appointees and their family in accordance with Rules of the Company.

Leave Travel Concession

The appointees and their family once in a year incurred in accordance with the Rules of the Company.

Club Fee

Fees of Clubs subject to a maximum of two clubs for each appointee. This will not include admission and life membership fees.

| | | Shri Shreekant Somany (Chairman and Managing Director) | Shri Abhishek Somany (Joint Managing Director) | Shri G. G. Trivedi (Executive Director) |
|----|-----------------------|--|--|--|
| 1. | Period of Appointment | 3 (three) years commencing from 1 st September, 2008 to 31 st August, 2011 | 3 (three) years commencing from 1 st June, 2009 to 31 st May, 2012 | 3 (three) years commencing from 1 st November, 2008 to 31 st October, 2011 |
| 2. | Remuneration | Shri Shreekant Somany, Shri Abhishek Somany and Shri G. G. Trivedi (hereinafter referred to as 'the appointees') shall, in consideration of their services, be entitled to the following by way of remuneration. | | |
| | a) Salary | Rs. 2,50,000/- per month | Rs. 2,50,000/- per month | Rs. 2,00,000/- per month |
| | | The Board may consider and grant an annual increment to the appointees as may be recommended by the Remuneration Committee | | |
| | b) Commission | At the rate of 3% (three percent) of net profits of the Company for each financial year computed in the manner laid down in Section 198 and 309 of the Companies Act 1956. | | |
| | c) Incentive | Performance incentive for each financial year as may be recommended by the Remuneration Committee and approved by the Board of Directors of the Company. | | |
| | d) Perquisites | The appointees will be entitled to the following perquisites in addition to salary and commission or incentive, as applicable, restricted to an amount equal to their respective annual salary. | | |

Personal Accident Insurance

For Chairman and Managing Director and Joint Managing Director of an amount, the premium of which does not exceed Rs.10,000 per annum for each and for Executive Director the premium does not exceed Rs.4000 per annum.

Explanation :

For the purpose of Category 'A', Family means, the spouse, the dependent children and dependent parents of the appointees.

CATEGORY – B

- i) Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable should not exceed half a month's salary for each completed years of service.
- iii) Encashment of Leave at the end of the tenure will be permitted as per the Rules of the Company and will not be included in the computation of the ceiling on perquisites.

CATEGORY – C

Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of Car for private purpose shall be billed by the Company to the appointees.

Overall Remuneration

Subject to an overall limit of 5% of the net profit individually and 10% of the net profit collectively payable to the Chairman & Managing Director, Joint Managing Director and Executive Director as calculated in accordance with Section 198 and 309 and other applicable provisions read with Schedule XIII to the said Act, as may be for the time being in force.

Minimum Remuneration

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of office of the appointees, the Company may pay them remuneration by way of consolidated salary and perquisites in accordance with the limits laid down under Clause (B) of Para 1 of Part II of Section II of Schedule XIII to the said Act, as may be applicable at the relevant time.

The perquisites specified in paragraph 2 of Section II of Part II of Schedule XIII to the Act, however shall not be included in the computation of the ceiling on remuneration specified under Para 1 of Section II of Part II of Schedule XIII to the Act.

The value of the perquisites for the purpose of calculating the above annual ceiling shall be evaluated as per Income Tax Rules wherever applicable otherwise at actuals.

Sitting Fee

The appointees shall not so long as they act as Chairman & Managing Director, Joint Managing Director and Executive Director of the Company be paid any sitting fees for attending any meeting of the Board or Committee thereof.

Termination

Notwithstanding anything contained in this Agreement, either party, shall be entitled to determine this Agreement by giving three calendar months' notice in writing in that behalf to the other party and on the expiry of the period of such notice, this Agreement shall stand terminated. The Company shall also be entitled without assigning any reason whatsoever to terminate the Agreement on giving to the appointees three months' salary as specified hereinabove under the head Remuneration, in lieu of three calendar months' notice required to be given under this clause.

Service of Notice

Any notice to be given hereunder shall be sufficiently given or served in case of the appointees by being delivered either personally to them or left for them at their addresses last known to the Company or sent by registered post addressed to them at such address and in the case of the Company by being delivered at or sent by registered post addressed to its Registered Office; any such notice if so posted shall be deemed served on the day following that on which it was posted.

In terms of requirements under Clause (B) of Para 1 of Part II of Section II of Schedule XIII to the Companies Act 1956, the Company requires to seek members approval by a special resolution for minimum remuneration payable to the respective appointees in the scale laid down in the said Clause (B) of Para 1 of Part II of Section II of Schedule XIII to the Act.

The Board accordingly recommends the Resolutions set out in item Nos. 6, 7 & 8 of the accompanying Notice for members' approval by way of Special Resolutions.

Memorandum of Interest

None of the Directors other than Shri Shreekant Somany, Chairman and Managing Director and Shri Abhishek Somany, Joint Managing Director and Shri G. G. Trivedi, Executive Director may be deemed to be interested and/or concerned in the resolutions.

Inspection of documents

The draft of the proposed Agreements to be entered into between the Company and the appointees are available for inspection by the Members of the Company at its Registered Office, on any working day prior to the date of the meeting during 3.00 p.m to 5.00 p.m and will also be available at the meeting.

Abstract of Terms and Conditions

This should be treated as an abstract of the terms of appointment and memorandum of interest of the respective appointees as required under Section 302 of the Act.

ITEM NO. 9

The Company by a Special Resolution passed by the Members of the Company at its 35th Annual General Meeting held on Friday, the 26th September, 2003, was authorised to make payments to its Directors (other than the Managing and Wholtime Directors of the Company) of a Commission of 1% (one percent) of the net profits of the Company for each of the

Somany Ceramics Limited

Financial Year for a period of five (5) years commencing from the 1st day of April, 2003 and ending on the 31st day of March, 2008.

In terms of the provision of Section 309(7) of the Companies Act, 1956, which provides that a Special Resolution passed under Section 309(4) of the act shall not remain in force for more than 5(five) years at a stretch, the previous resolution as such stated to have passed hereinabove remained valid upto the end of Company's Financial year ended on 31st March, 2008. Accordingly, it is proposed to pass a fresh Resolution by way of Special Resolution authorising the Company for

payment of such commission for each Financial Year in pursuance of Section 309 (4) read with Section 309 (7) of the Companies Act, 1956 for a further period of five (5) years commencing from 1st day of April, 2008 and ending on the 31st day of March, 2013. The Resolution set out under item no. 9 of the accompanying Notice is intended for seeking member's approval and your Directors accordingly recommend the same.

All the Directors except Shri Shreekant Somany, Shri Abhishek Somany and Shri G. G. Trivedi may deem to be interested or concerned in the said Resolution.

In terms of the amended Schedule XIII of the Companies Act, 1956 the following information is given to the shareholders:

I. General Information

- (1) Nature of Industry : Manufacturing of Ceramic Tiles
- (2) Date of commencement of Commercial production : 1972
- (3) Financial Performance : (Rs. in Lacs)

| Year ending 31 st March | Sales | Operating Profit | Profit/(Loss) Before Tax | Profit/(Loss) After Tax |
|---------------------------------------|-------|---------------------|-----------------------------|----------------------------|
| 2004 | 20415 | 2183 | (493) | (168) |
| 2005 | 20019 | 2240 | (292) | (178) |
| 2006 | 24519 | 2894 | 337 | 310 |
| 2007 | 29528 | 3119 | 489 | 252 |
| 2008 | 35143 | 3787 | 748 | 407 |

- (4) Export Performance : Export for the year 2007-08 was Rs.564.17 lacs.
- (5) Foreign investors or Collaborators : Two overseas Corporate Bodies are holding 342500 shares representing 4.9% and eight NRI's are holding 786 shares representing 0.01% in the share capital of the Company as on 31st March, 2008.

II. Information about the appointees

| | Particulars | Shri Shreekant Somany | | Shri Abhishek Somany | | Shri G. G. Trivedi | |
|----|--|--|-------|---|-------|---|---------|
| 1. | Background details | He is an Industrialist and currently the Chairman and Managing Director of the Company. He is a graduate and holds B.Sc. degree and has over 36 years of experience in business of Ceramic Tiles, Sanitaryware & Glassware | | He is Bachelor of Business Administration from Richmond University, U. K. with specialisation in Finance & Marketing. He received specialised intensive training of manufacturing Ceramic Tiles in Pilkington's Tiles, U.K. at their Manchester and Brighton Plants. He has also attended Advanced Management Course at Sunridge Park, U.K. | | Shri Trivedi is M. Sc. (Electronics), a Cost Accountant and Law Graduate and possesses rich experience in the field of ceramic and distillery industry. | |
| 2. | Past Remuneration (including contribution to Provident Fund) | 2003-2004 | 28.48 | 2003-2004 | 18.14 | 2003-2004 | 5.98 * |
| | | 2004-2005 | 28.18 | 2004-2005 | 18.03 | 2004-2005 | 8.20* |
| | | 2005-2006 | 38.71 | 2005-2006 | 17.90 | 2005-2006 | 5.86 * |
| | | 2006-2007 | 39.09 | 2006-2007 | 27.97 | | 9.63# |
| | | 2007-2008 | 51.56 | 2007-2008 | 39.15 | 2006-2007 | 25.622# |
| | | | | | | 2007-2008 | 27.36# |
| | | | | | | (*) paid as CEO (#) paid as Executive Director | |
| 3. | Recognition and Awards | The appointees take interest in the social and cultural activities. | | | | | |

| | Particulars | Shri Shreekant Somany | Shri Abhishek Somany | Shri G. G. Trivedi |
|----|--|--|--|--|
| 4. | Job profile and his suitability | Shri Shreekant Somany is the Chairman and Managing Director of the Company and controls the overall Management under the supervision and superintendence of the Board of Director. | Shri Abhishek Somany is Joint Managing Director and is looking after the management of the Company and other duties as entrusted upon him by the Board. | Shri G. G. Trivedi is Executive Director and is looking after day-to-day affairs of the Company and other duties as entrusted upon him by the Board. |
| 5. | Remuneration proposed | Salary Rs. 2,50,000/-per month. Commission at the rate of 3% of net profits of the Company computed in the manner laid down in Section 198 and 309 of the Companies Act. 1956. | Salary Rs. 2,50,000/-per month. Commission at the rate of 3% of net profits of the Company computed in the manner laid down in Section 198 and 309 of the Companies Act. 1956. | Salary Rs. 2,00,000/-per month and Performance Incentive as may be recommended by the Remuneration Committee and approved by the Board. |
| 6. | Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person | The remuneration proposed to Shri Shreekant Somany, Shri Abhishek Somany and Shri G. G. Trivedi is in consonance with their respective similar position in the Industry. | | |
| 7. | Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any | Except Salary and Perquisites to be received from the Company by the appointees including their relatives and to receive dividend declared by the Company, if any, Shri Shreekant Somany, Shri Abhishek Somany and Shri G. G. Trivedi do not have any pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel of the Company. | | |

III. Other Information

| | | |
|----|---|--|
| 1. | Reasons of loss or inadequate profits | There is profit, but as an abundant caution for payment of minimum remuneration to the Chairman and Managing Director, Joint Managing Director and Executive Director in case of no profit or inadequate profits in any particular year the information is provided to the Shareholders. |
| 2. | Steps taken or proposed to be taken for improvement | All around reduction in cost and better product mix to achieve higher realisations. |
| 3. | Expected increase in productivity and profits in measurable terms | Initiatives involving product development, introduction of value added products and such other steps are being taken to improve the overall productivity and to achieve profitability of the Company |

By Order of the Board

Place : New Delhi
Date : 22nd May, 2008

Samir Raheja
Company Secretary