Asian Granito India Ltd.
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info@aglasiangranito.com • www.aglasiangranito.com
CIN : L17110GJ1995PLC027025

AGL TILES
Beautiful Life

Date: 25.09.2017

To,
Corporate Relations Department
Bombay Stock Exchange Limited,
2nd floor, P.J. Tower,
Dalal Street,
Mumbai – 400 001

Company Code: 532888

To,
Corporate Relations Department
National Stock Exchange of India Limited
Exchange Plaza
Plot No. C/1, G-Block
Bandra Kurla Complex
Bandra (E),
Mumbai- 400 051

Company Code: ASIANTILES

Dear Sir,

Sub: Submission of Annual Report under Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to the provisions of regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for the financial year 2016-17 duly approved and adopted by the members as per the provisions of the Companies Act, 2013 in the 22nd Annual General Meeting of the Company held on Thursday, 21st September, 2017 at H T Parekh Convention Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad 380015. Gujarat.

Kindly take the above information on record.

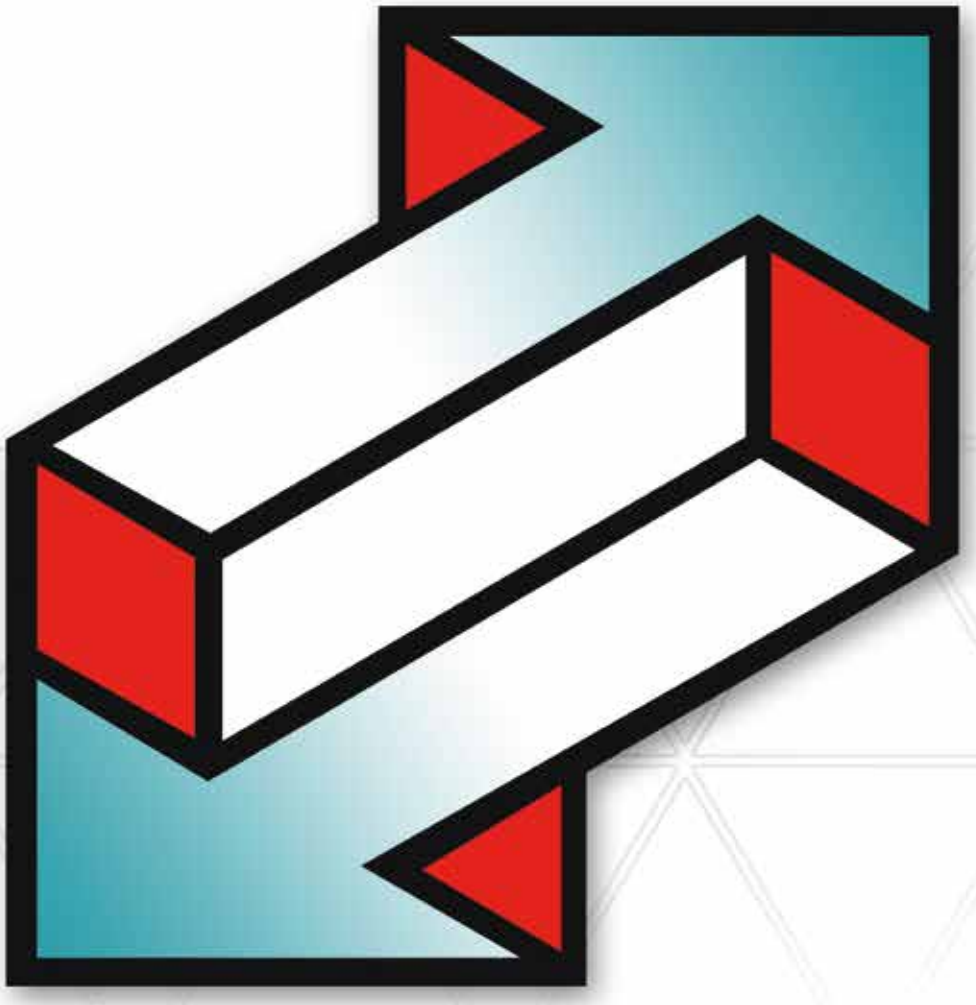
Thanking You.

Yours faithfully,

For Asian Granito India Limited

Kamleshbhai B. Patel
Chairman and Managing Director
DIN: 00229700

AGL TILES
Asian Granito India Ltd.
Beautiful Life



THINK DIFFERENT

ANNUAL REPORT 2016-17

ASIAN GRANITO INDIA LIMITED

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 - 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 realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties occur, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

OUR BIG NUMBERS

4
Ranked among the four most prominent ceramic tiles companies in India

53+
Number of countries exported to

₹1066 crore
Consolidated net sales growth of 7.2% over 2015-16

8
Number of state-of-art manufacturing facilities across Gujarat

120+
Number of showrooms

₹123.6 crore
Consolidated operating profit (₹90.8 crore, 31.3.16)

5300+
Number of touch points (dealers and sub-dealers)

₹1560 crore
Consolidated Enterprise Value (₹1240 crore, as on 31.3.16)

*ALL CONSOLIDATED NUMBERS RELEVANT AS OF 31ST MARCH 2017 UNLESS OTHERWISE INDICATED

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Think Different.

At Asian Granito India Limited, we are transforming with speed. From a volume-driven focus to a value-centric priority.

From an institution-driven company to a retail-centric organization.

We are transforming our DNA with the objective of doubling revenues by FY2021.



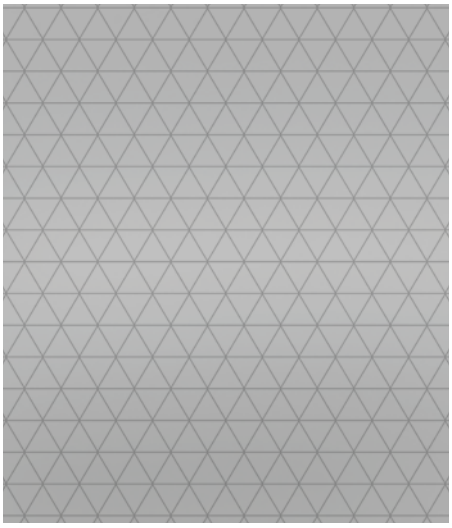
India is the fastest growing major economy.

Asian Granito India Limited is among the four largest ceramic tile brands in India.

India is marked by an unprecedented increase in disposable incomes.

India is marked by a rapid growth in consumer aspirations.

Asian Granito is accelerating introduction of pioneering tile and quartz sizes, finishes and designs.



Asian Granito is addressing these realities with a growing proportion of value-added flooring products.

Background

Asian Granito was established by entrepreneurs Kamlesh Patel and Mukesh Patel in 2000. Kamlesh Patel, Chairman & Managing Director, holds 23 years of tile industry experience and established global benchmarks in his pursuit of capacity expansion and brand building. Mukesh Patel, Managing Director, possesses of similar tile industry experience, focusing on responsible innovation, technology, product development and quality commitment.

Status

The Company is the fourth largest Indian ceramic tile company and one of the largest manufacturers of polished vitrified and polished glazed vitrified tiles, wall and floor tiles, composite marble and quartz stone in India.



West India South India
North India East India

Manufacturing locations

- Idar: Ceramic tiles • Dalpur: Glazed vitrified
- Dalpur: Wall ceramic • Dholka: Wall ceramic
- Dalpur: Amazoone / Porcelain Ceramic
- Morbi: Double charge vitrified
- Mehsana: Vitrified plant • Dalpur: Marble and quartz

Distribution

The Company has more than 5300 touch point (direct dealers and sub-dealers) and more than 120 AGL Tile exclusive stores across India. 38% of the Company's consolidated revenues were derived from West India, 31% from South India, 19% from North India and 12% from East India

Presence

- The Company is headquartered in Ahmedabad (Gujarat)
- The Company has eight manufacturing facilities in Gujarat with an aggregate production capacity of more than 100,000 square meters per day including an outsourcing capability of 15,000 sq meters per day.
- The Company enjoys a Pan-India marketing and distribution network comprising more than 970 direct dealers, 16 company-operated display centers and more than 120 exclusive showrooms.
- The Company's products are marketed in more than 53 countries
- The Company has 13 digital colour printers to enhance product aesthetics and design with 9-color printing technology. Beside latest technology, the company enjoys the easy availability of low-cost gas at two of its plants.

Listing

- The Company's shares are listed and actively traded on the Bombay Stock Exchange and National Stock Exchange.
- The Company's market capitalization was ₹1100crore as on March 31, 2017 (Market price ₹367); the promoters held 33.1% of the Company's equity (as on March 31, 2017).

Products

The Company provided floor and wall solution with wide range of products ranging from soluble salt (low cost) to marble & quartz (value-added)

- Ceramic wall, ceramic floor and porcelain floor tiles
- Polished vitrified tiles (PVT) in soluble salt and double-charged variants
- Polished glazed vitrified tiles (PGVT) with digital print
- Marble and quartz thickness from 12mm to 30mm

Vision

- Aspire to beautify world by attaining global leadership through innovative ceramic products, customer delight and satisfying all stakeholders.
- Remain undisputed leader in Marble & Quartz in India.

Mission

- Growing profitably across the AGL Group.
- To be pioneer in bringing latest technology and provide best quality products.
- Create competitive advantage in market and lead the industry by innovations.
- To create healthy & productive work environment for all employees and associates.
- To empower communities for working towards safe, clean and green environment.

Clientele

Hospitality	Real estate	Educational institutions
• The Leela Palace, Hotels and Resorts • ITC Hotels • Bharati Hotels	• Adani Group • Lodha Group • Godrej Group • TATA Group • Ansal API • DLF Masters • Unitech • Sobha Developers • Brigade Group • SLS Developers • Rohan Housing • Prestige Group • Sriram Properties • Skyline Builders • Muthoot Developers • Kent Construction	• Rajasthan Agricultural Research Institute (Jaipur) • Manipal University (Jaipur) • Central University of Rajasthan (Jaipur) • SDM Institute of Technology (Ujire) • Raja Rajeshwari Medical College (Bengaluru)

Our revenues, 2016-17



MILESTONES

2002
Commenced production of 16"x16" ceramic floor tiles with 2,500 square metres per day capacity

2003
Production capacity of ceramic floor tiles enhanced to 6,000 square metres per day

2004
Established exclusive Asian Granito India Limited (AGL) production facility at Himmatnagar with a manufacturing capacity of 4,000 square meters of 24"x24" and 20"x20" vitrified tiles per day.

2005
Expanded production at Himmatnagar plant to 6,000 square meters per day; introduced a new 36"x36" size

2006
Expanded Himmatnagar plant capacity to 18,000 square meters per day.
Established a 8.25 MW wind mill power project at Vanku in Kutch District.

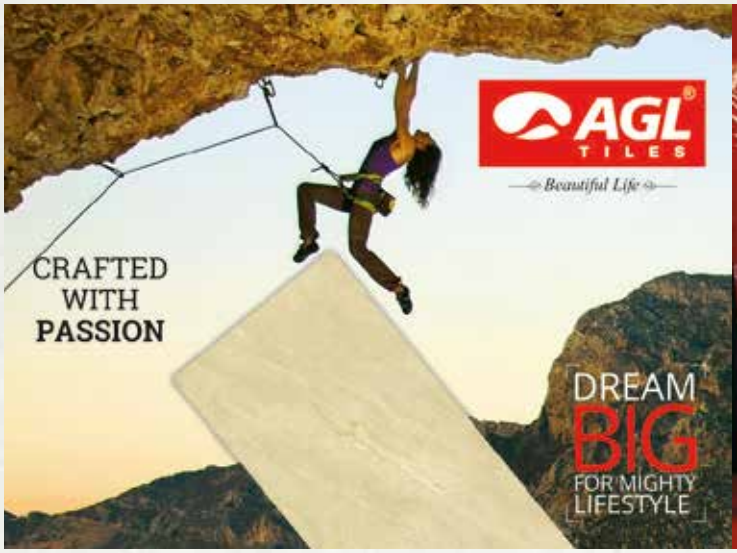
2007
Made an IPO; mobilized ₹67.90 crore
Launched AGL Tiles World (exclusive display centers) in 14 cities

2008
Launched an exclusive collection of wall tiles; introduced India's largest size (300x900mm) with a production capacity of 10,000 square metres per day.
Launched an exquisite collection of wall tiles (300x900 mm) with a production capacity of 10,000 square meters per day.

2009
Commenced production of a range of AGL marble slabs (10x4 square feet).

2010
Increased wall tile production capacity by 20,000 square meters per day
Established new digital printing technology for ceramic wall tiles
Launched Bonzer7 brand

2011
Commenced quartz slab production (10x4 square feet)
Launched digital glazed vitrified tiles
Introduced four-colour digital printing technology
Increased AGL Tiles World showrooms to 20; established 18 depots pan-India





2012
Commenced six-colour digital tile printing

2013
Introduced hi-tech 600"x600" Tuff Guard digital Porcellanto value-added tile basket
Introduced digital glazed vitrified tiles in the Tuff Guard range (800"x800" and 605"x605" variants)
Expanded AGL Tiles World outlets to 50

2014
Launched double-charged polished vitrified tiles in the large format (800x800 square mm)
Introduced Carrara White in the large unglazed format
Introduced eight-colour digital printing
Increased the number of manufacturing units to eight
Increased production capacity to 1 lac square metres per day
Implemented state of-the-art technology at the Idar plant; increased capacity to 8,000 square metres per day
Launched the Grestek XXL tiles range

2015
Launched 16 mm Grestek and Hardstone heavy-duty vitrified tiles
Introduced digital-vitrified Grandura+ parking tiles

2016
Amalgamation of Artisique Ceramics Pvt Ltd with Asian Granito India Ltd (AGL)
Launched Grestek-Marvel Colour Body tiles.
Introduced 1000mmX1000mm Double Charge Tiles known as Jumbo.
Imperio Double charge launched in size 800mmX 800mm.







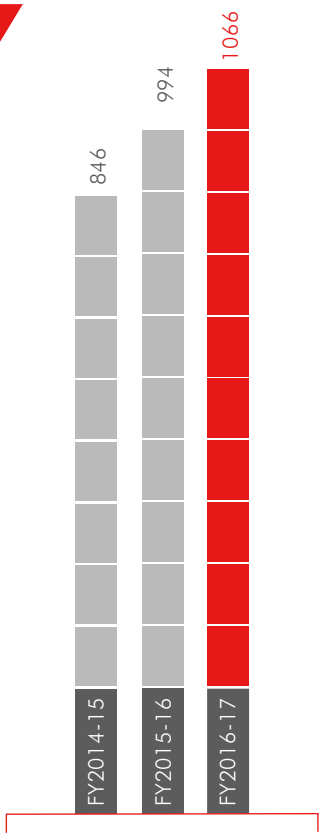
Extended our new size in Grestek Splendour series 800mm X 1600mm.

2017
Increased number of AGL outlets to 120+; increased number of touch points (dealers and distributors) to 5300+

THIS IS HOW WE HAVE GROWN OVER THE YEARS

NET REVENUES
₹ CRORE

Consolidated net revenues grew at CAGR of 8% in last 3 years, margins have improved by 455 bps to 11.6%



Definition
Sales growth after deducting excise duties.

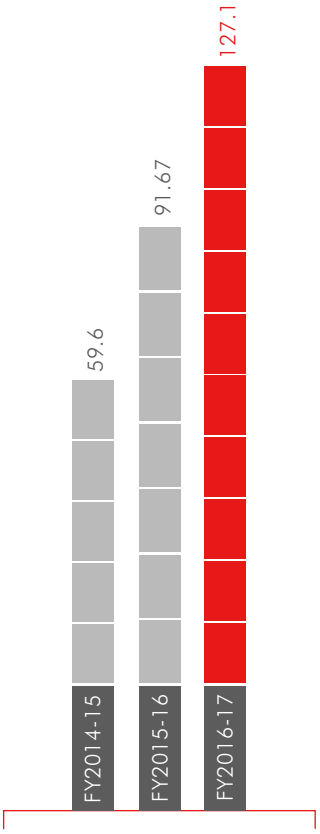
Why we measure
This measure reflects the result of our ability to understand market trends and service customers with corresponding products, superior technologies and competent supply chain management.

Performance
Our aggregate consolidate net sales increased 7.2% YoY to ₹1066 crore in FY2016-2017, which compared favorably around 6% growth of the country's infrastructure and construction sector.

Value impact
Creates a robust growth engine on which to build profits and make our shareholders belief stronger.

EBITDA
₹ CRORE

+Consolidated EBITDA reported at CAGR growth of 29% in the last 3 years



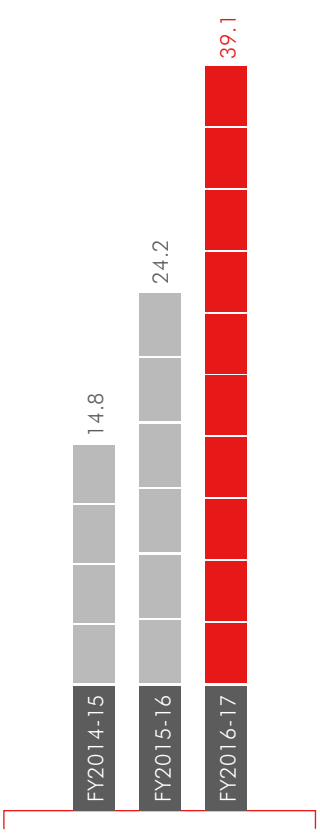
Definition
Earning before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why we measure
It is an index that showcases the Company's ability to optimize business operating costs despite inflationary pressures, which can be easily compared with the retrospective average and sectoral peers.

Performance
The Company's consolidate EBITDA grew every single year through the last 3 years. The Company reported a 38.6% YoY increase in its consolidated EBITDA in FY2016-2017 – an outcome of pain taking efforts of its team in improving operational efficiency.

NET PROFIT AFTER M.I.
₹ CRORE

+Net profit grew at CAGR of more than 38.7% across the last 3 years



Definition
Profit earned during the year after deducting all expenses and provisions.

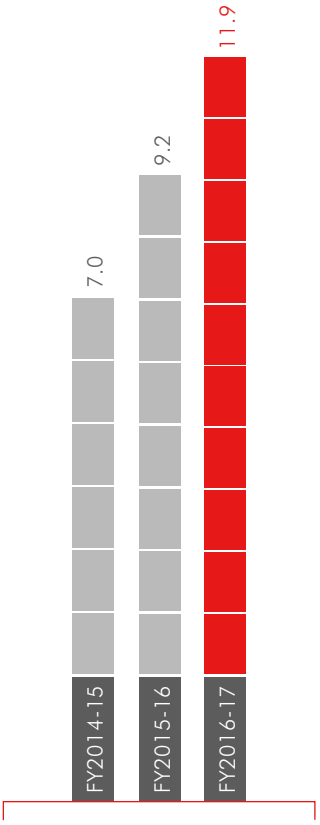
Why we measure
It highlights the strength in the business model in generating value for its shareholders.

Performance
The Company's consolidated net profit grew every single year through the last 3 years. The Company reported a 61.24% YoY increase in its consolidated Net Profit in FY2016-17 – reflecting the robustness and resilience of the business model in growing shareholder value despite external vagaries.

Value impact
Adequate cash pool available for reinvestment, accelerating the growth engine

EBITDA MARGIN
(%)

Consolidated EBITDA margin improved around 490 bps in the last 3 years



Definition
EBITDA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency. Higher the operating margin, better for the Company.

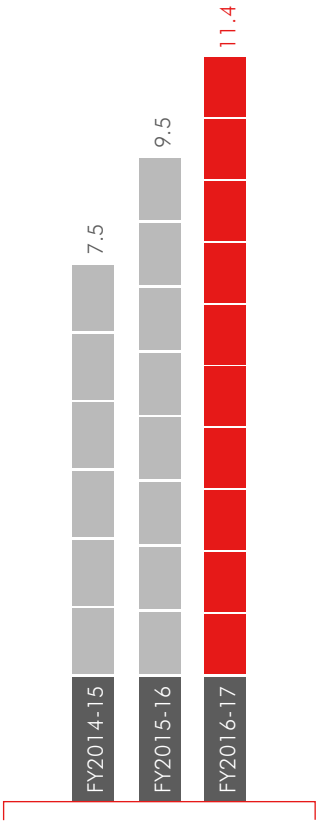
Why we measure
The EBITDA margin gives an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

Performance
The Company reported a 245 bps YoY increase in consolidated EBITDA margin in FY2016-2017. This was the result of lower input cost, decline in price of gas, increase in sales of high margin products and many other cost efficiency measures which helped company to improve its EBITDA margins.

Value impact
Demonstrates adequate buffer in the business, which when multiplied by scale, enhances surpluses

ROCE
(%)

The Company focused on improving return ratios resulting in 190 bps YoY improvement in ROCE.



Definition
It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business.

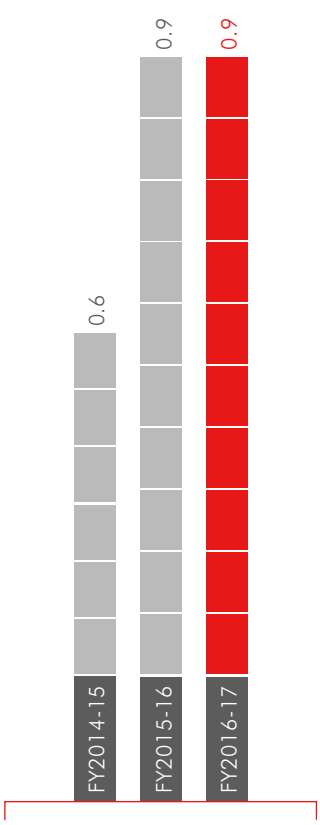
Why we measure
ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use - especially in capital-intensive sectors.

Performance
The Company reported a 190 bps YoY increase in consolidate ROCE in FY2016-2017.Improvement in consolidated RoCE was on account of sharp improvement in margins.

Value impact
Enhanced ROCE can potentially drive valuations and perception (on listing)

DEBT-EQUITY RATIO

The Company focused on reducing debt across group companies in-spite capex programs. The Company also initiated the process to reduce working capital loans by focusing on moderating debtors and inventories.



Definition
This is derived through the ratio of debt to net worth (less revaluation reserves).

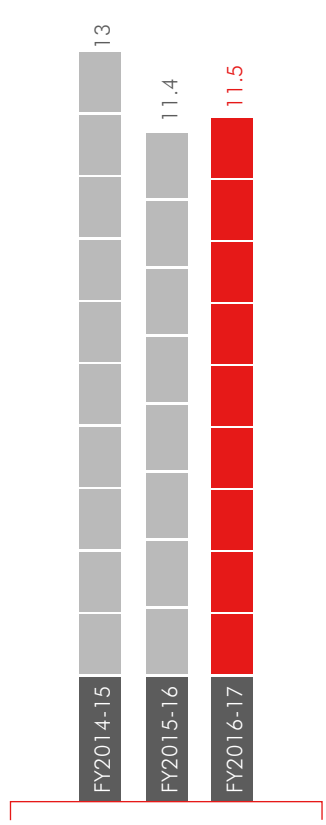
Why we measure
This is one of the defining measures of a company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers (the lower the gearing the better). In turn, it indicates the ability of the Company to sustain growth in profits, margins and shareholder value.

Performance
The Company's consolidated debt to equity ratio remained stable at 0.9x in spite debt have increased marginally YoY on account of Brown field expansion at crystal. Gearing ratio remained stable at 0.9x in FY2016-2017. We recommend that this ratio be read in conjunction with net debt/operating profit (declining, indicating a growing ability to service debt).

Value impact
Enhanced shareholder value by keeping the equity side constant; enhanced flexibility in progressively moderating debt cost

AVERAGE DEBT COST
(%)

The Company focused on reducing debt cost across group companies which would help reduce interest out flow.



Definition
This is derived through the calculation of the average cost of the consolidated debt on the Company's books.

Why we measure
This indicates our ability in convincing bankers and other debt providers of the robustness of our business model, translating into a progressively lower debt cost (potentially leading to higher margins).

Performance
Increase in working capital was on account of capex at crystal plant for double charge and also due to higher working capital requirement. However we believe that working capital has peaked up and may decline from this level.

Value impact
Enhanced cash flows; strengthened credit rating for successive declines in debt cost

PRESENCE AND PIPELINE

THE TWO DRIVERS OF OUR REINVENTION STORY

The big message that I wish to communicate is that it took Asian Granito around 15 years to get to ₹1000 crore in turnover; we believe that it will take the Company four years to get to ₹2000 crore in consolidated gross revenues.

At Asian Granito, we believe that if we need to compress the growth of a decade and a half into a mere 20% of that time, then the usual will not work. The Company will need to do different things to get differentiated results.

There are a number of strategic imperatives that we believe will virtually reinvent the Company.

In my overview, I will talk of just two – presence and pipeline.

I believe that this combination – presence and pipeline – will progressively alter the DNA of the Company towards value-addition; superior return on capital employed and enhanced value in the hands of all those stakeholders associated with our company.

Presence

In the first decade-and-a-half, Asian Granito was a company that selected to manufacture products out of Gujarat. The result is that we were largely perceived as a Gujarat company.

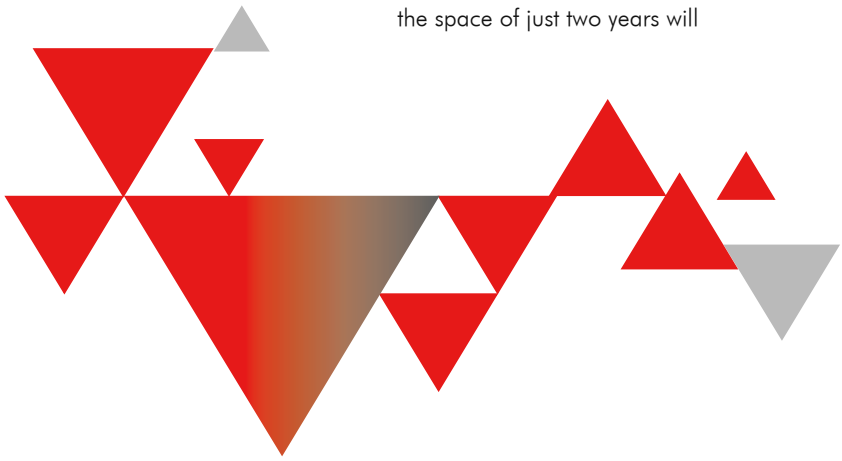
Pipeline

Conventionally, AGL has followed an institutions-driven marketing approach. The majority of our output was marketed to real estate builders and government institutions. During the early days of our existence, this sales direction was justified as it enabled AGL to market a large quantity of products through its dedicated sales channel; besides, the Company was still at an early stage in its investment cycle marked by a mismatch between prevailing cash flows and investments required to create a large retail sales channel. The result is that 70% of the Company's revenues were consistently derived from the institutional channel.

At AGL, we believe that the time has come to move the needle. India's consumption-driven growth story is being increasingly driven by a growing off-take by individuals building or renovating homes across the country. A growing off-take by individuals is being driven by a number of factors: enhanced home pride and higher disposable incomes.

AGL is bringing a new urgency to this business priority. In more than a decade of its existence, AGL had franchisee-owned and franchisee operated 75 outlets (FOFO); in just one year (2016-17), the Company increased the number of FOFO outlets to 120, the largest increase in its distribution footprint presence in any single year.

During the current financial year, we intend to widen our FOFO family to 200, which is almost equivalent to opening two new FOFOs a week. The fact that we are trebling our distribution footprint within the space of just two years will



have extensive downstream implications – the ability to market faster and the ability to sample market preferences with speed leading to relevant production.

At AGL, we believe that the increase in FOFOs across all geographies (West 35, South 32, East 16 and North37), central to our distribution plan, will be supported by two flanking realities: the creation of complementary and proprietary COCO (Company owned, Company operated) where we showcase (not sell) the complete range of our products and create the consumer appetite that generates sales for FOFOs; besides, we increased the number of touch points (dealers and sub-dealers) from 4500 to 5300, making it possible to take our products down to the last mile; we intend to strengthen our presence in North and East India, correcting our regional sales skew.

We are convinced that the successful companies of the future will be ones with deep distribution capabilities: the ability to market the fastest, the ability to reach pockets with a growing consumption appetite and the ability to create a consumption appetite where none was presumed to exist. The strongest of companies within our sector will be those with the widest and deepest distribution penetration; the most profitable will be one with trade partners who are willing to pay upfront for products or within the shortest credit cycle. In view of this, AGL intends to rebalance the 35-65 skew in its customer focus (retail:institution) to 50:50 over the next 3-4 years, strengthening margins, profits and value.

Overview

At AGL, we believe that the combination of our 'Presence' and 'Pipeline' strategies represents the foundation of our reinvention.

This virtual rewriting of our DNA will help create a company that is larger, faster growing and more profitable – a volume-value play that will enhance value for all our stakeholders.

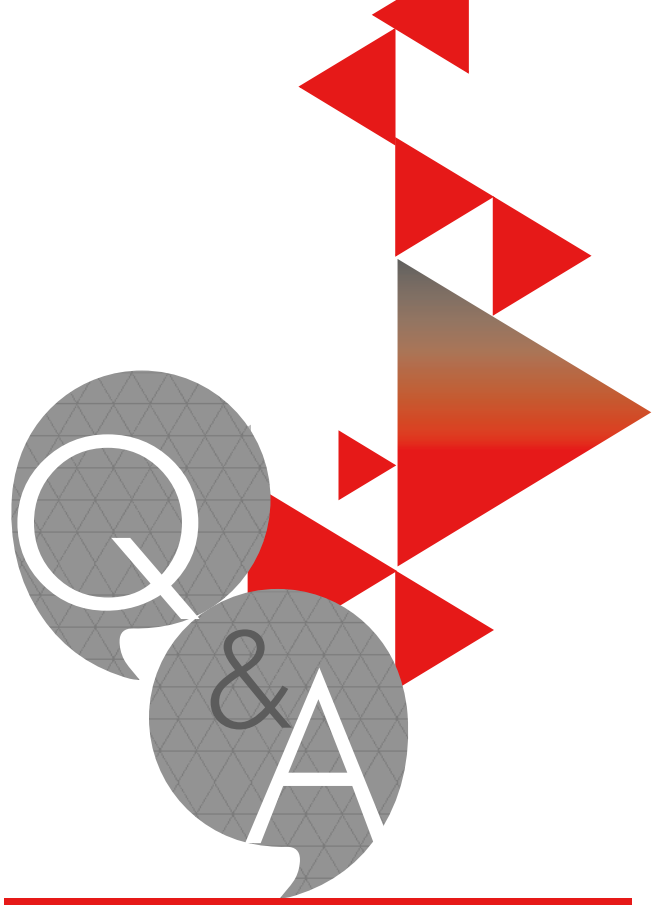
Kamlesh Patel,
Chairman and Managing Director

India's consumption-driven growth story is being increasingly driven by a growing off-take by individuals building or renovating homes across the country.



61.24%

YoY increase in consolidated Net Profit in FY2016-17



FROM THE DESK OF MUKESH PATEL, MANAGING DIRECTOR

Was the management pleased with the Company's performance in 2016-17?

The AGL management was pleased with its consolidated performance during the year under review - a watershed in the history of the Company for some good reasons.

The Company reported profitable growth: consolidated revenues increased 7.2% while consolidated profit after tax strengthened more than 59%. This divergence indicates traction in the Company's brand, value-addition focus and cost management.

The Company reported an outstanding fourth quarter: consolidated net revenues increased 10.5% over the previous sequential quarter while profit after tax strengthened 70%. More importantly, the Company reported an increase in its consolidated EBITDA margin from 9.1% in the Q4FY16 to 9.9% in Q4FY17, indicative of better times ahead.

The performance of the fourth quarter was surprising in view of the slowness in downstream sectors as well as the demonetization-induced weakness.

This is precisely why we believe that the performance of the Company during the last financial year represented an inflection point. The management resolved that it would need to address the demonetization head-on. Following demonetization, the Company reported strong volume growth.

The reality is that the reinvented AGL used the demonetization as a plan for driving change aggressively: for instance, in the first seven months of the financial year under review, the Company had increased the number of exclusive brand outlets from 75 (as on 31 March 2016) to 90 by the end of November 2016; in the following months, the Company increased the number of FOFOs by 30, making it possible to finish with a year-end number of 120 – the largest increase in any year (45) in the Company's existence. This increase – against most sectoral expectations – has helped rejuvenate the Company; AGL intends to increase the number of FOFO to 200 by the close of 2017-18; the increase of 80 in a single year will be more than the total number of FOFO that the Company had in the 15 years of its existence until the first half of 2016-17.

What does this aggressive increase in FOFO rollout indicate of a reinvented AGL?

This substantial increase is indicative of a company that intends to correct its strategic sales direction: from institutional off-take-driven (marketed to government institutions and real estate companies) to retail-driven. The Company believes that housing construction (especially affordable) in India will accelerate, strengthening retail off-take. The companies that benefit most extensively from this emerging reality will be those with a wide and deep distribution network. We believe that by creating a large number of exclusive buying outlets, we would be achieving two things – widening our sales footprint to locations and pockets of emerging consumption; locking-in dealers for three years from exclusively marketing our products. We intend to increase the retail proportion of our revenues from 35% in 2016-17 to 50% over the next 3-4 years. We also believe that the expansion in retail focus in our company will enhance margins, moderate our dependence on institutional customers who pay lower and slower and make it possible to broadbase our presence across thousands of customers than be driven by only a few. Cash flows will also increase once the FOFO itermediaries generate more retail sales, helping timely collections.



85%

increase in our consolidated capacity utilization is expected over next 3-4 years.

You indicated 'enhance margins'. How does the Company intend to strengthen profitability in a competitive business?

There are various initiatives that we have concurrently undertaken that we expect will translate into enhanced profitability.

We intend to launch some of the largest tiles in India to address the growing requirement from malls, bungalows and larger interior spaces; these tiles (1200x2400mm and 1200x1200mm) will be niche and value-added, strengthening our brand among the trade and overall profitability.



One, we intend to sustain our long-standing tradition of manufacturing some of the largest tiles in India to address the growing requirement from malls, bungalows and larger interior spaces; these tiles (1200x2400mm and 1200x1200mm) will be niche and value-added, strengthening our brand among the trade and overall profitability.

Two, we are exploring niche non-tile opportunities whose sales are unusually complementary to tiles. India is one of the most attractive providers of quartz in the world; while most processors have selected to provide mono-colour quartz, AGL intends to extend to the multi-colour variety; while most have serviced needs within India, AGL intends to expert; while most address the 16mm thickness quartz range, AGL intends to also provide the 30mm variety; while most provide quartz with 97-98% silica content, AGL intends to provide 99.9% silica content. I am pleased to state that we commissioned - quartz processing lines in the first quarter of the current financial year and we have already sold a big part of our capacity for the next few months.

Three, we believe that most competitive tile manufacturers are also the ones with stringent control on their working capital cycle. The Company intends to moderate its receivables cycle during the current financial year. We believe that the quicker inflow will strengthen cash flows, moderate our working capital debt (and corresponding interest) and enhance the surplus available for reinvestment – a virtuous cycle.

Four, we intend to complete our product range to address one of the fastest growing consumer segments. During the last few years, we focused largely on the value-added segment, which began to pay attractive results; however, we believe that as a new consumer segment emerges following the government's unprecedented push to the country's affordable housing segment, we will need to have more products that cater to this segment that serves as an entry point into the AGL world of products. In view of this, the Company launched porcelain polished tiles in June 2017 (water absorption of 3%) priced around ₹ 30-32 per sq ft, resembling GVT and for a segment that cannot presently afford the GVT variety.

Five, we have invested in nine-colour printing machines – the first such in India – that will make it possible to graduate value-added tiles to higher realizations.

How are these initiatives likely to pan out in 2017-18?

At AGL, we have selected to freeze capital expenditure in the current financial year. We believe that we possess adequate manufacturing leverage; we intend to increase our consolidated capacity utilization from 65% to around 85% over next 3-4 years. We expect AGL to report a near-12-15% topline growth during the current financial year with a corresponding increase in margins, resulting in what we believe will be another year of profitable growth.

HOW WE INTEND TO TRANSFORM OUR COMPANY

ASIAN GRANITO INDIA LIMITED'S PRINCIPAL GOAL IS TO ENHANCE ORGANIZATIONAL VALUE THROUGH THE INTERPLAY OF VARIOUS STRATEGIES

1

Manufacturing locations
AGL manufactures products out of 8 locations in Gujarat today.

2

Product mix
AGL is introducing porcelain polished tiles to address the mid-end of the country's tile consumption pyramid; when complemented with large tiles, this will help complete the Company's tile offering.

3

Outsourcing
The Company outsourced 40% of the total consolidated revenue from Morbi. Going ahead, the Company intends to enhance capacity utilization from the prevailing 65% to 85% while selectively seeking to outsource the production of non-value-added tiles over next 3-4 years.

4



Customer mix
Nearly 65% of AGL's revenues are derived from institutional customers.

5

Non-tiles segment
AGL has expanded its quartz processing capacity in 2017-18 with the objective of increasing exports, increasing the proportion of value-added revenues and providing customers a tile complement.

6

Exports

AGL intends to increase the quantum of exports from 6% of consolidated revenue in 2016-17 to around 10% in 2017-18; the Company intends to increase the export of tiles, marble and quartz.



7

Distribution network

AGL intends to increase the proportion of revenues from retail customers from 35% to 50% over the next 3-4 years with a corresponding increase year-on-year.

8

Business development

AGL has created a 25-member team addressing Business Development opportunities and Projects, addressing emerging opportunities and working hand-in-hand with architects and influencers and while seeking approvals from Government sectors like PWD and other work departments.

9

Government orders vertical

AGL has created a dedicated business vertical addressing growing government orders arising out of the implementation of announced projects.

10

Designs

AGL intends to widen choice from 1200+ contemporary designs to 1500 designs a year, catalyzing off-take.

11

Value-addition

AGL is manufacturing glazed vitrified products of larger sizes, a number of them for the first time in the country, ideal for large spaces; this is enhancing value-addition and brand distinctiveness.

12

Receivables cycle

AGL is focusing on fiscal efficiency; the Company intends to moderate receivables from 95 days of turnover equivalent to 60 days over the next 3-4 years, strengthening cash flows.

HOW WE INTEND TO ENHANCE LONG-TERM SUSTAINABLE VALUE

THE BIG OPPORTUNITY

Unprecedented increase in the announcement of government housing projects, attractive mortgage financing incentives and housing sector and retail penetration

HOW WE ARE INVESTING IN RESOURCES TO ADDRESS THE GROWING OPPORTUNITY

Scale: AGL is the fourth largest tile company in India in terms of capacity

Product complement: AGL provides a complement of tiles and non-tiles (marble and quartz)

Brand visibility: AGL will increasingly invest in enhancing brand visibility. Company is targeting to increase its branding expense as % of consolidated revenues from 1.5% in FY2017 to around 2% in FY2018 covering tiles and non-tiles (marble and quartz)

Human capital: AGL will continue to invest in people (knowledge and enthusiasm)

Distribution relationships: AGL will widen and deepen its distribution network

Fiscal robustness: AGL will enhance value-addition, shrink receivables and enhance asset-lightness

COMPETITIVE ADVANTAGE

AGL will continue to strengthen its competitiveness, marked by profitable growth wherein profit growth in percentage terms will be higher than revenue growth

Key beneficiaries	Customers	Trade partners	Communities
Employees	Shareholders	Vendors	Exchequer

BUSINESS MODEL OBJECTIVE

Our objective is to increase gross revenues from around ₹1000 crore to ₹2000 crore over the next four years ending FY2021

OUR STRENGTHS

AT THE CORPORATE LEVEL

Experience: The Company's management possesses deep sectoral experience spanning a decade-and-a-half, translating into an understanding of consumer preference shifts and proactive responsiveness

Scale: India's fourth largest tile company, Asian Granito is also one of India's youngest prominent tile brands bringing a distinctive vigour in terms of new products and approaches

Partnership: The Company entered into a joint venture with the Panaria Group (owns production facilities in six countries) in 2012 to leverage its reach, technical knowhow, enhance product quality and gain access global markets in exchange for world-class products

Rating: The Company enjoyed an ICRA credit rating of A on the basis of its ability to service financial obligations on schedule, while assuming reasonable credit risk; this has translated into the ability to source debt at progressively lower costs, kick-starting a virtuous cycle

IN THE MARKET PLACE

Wide price points: The Company possesses a wide product portfolio addressing diverse price points. The Company's tiles are available across a price range of ₹30 to ₹235 per square feet. The Company's proposed introduction of porcelain polished tiles will extend this range and account for a larger customer wallet share

Design: The Company offers more than 1200+ designs across 16 display centers, adding 60-80 design products on average every quarter; this is enhancing the Company's respect as a trend-relevant tile company, making it possible to generate higher realisations

Branding: The Company broke new ground by unveiling new products in International Market by participating in trade fairs like BIG 5 Dubai and also extended Big 5 Saudi Arabia this year. The Company is enhancing brand spending and visibility to generate a consumer pull across its trade partners

Dealer network: The Company possesses an extensive distribution network comprising more than 5300 touch points (dealers and sub-dealers) and more than 120 showrooms. The Company has not only increased their number in the last two years but also ensured their dispersal that will help company sustain long-term retail growth

AT THE OPERATIONS LEVEL

Quality: The Company's manufacturing facilities enjoy ISO 9001:2015 and ISO 14001:2015 certifications, strengthening its product quality and process discipline; this has reinforced the Company's respect as a quality-driven brand. Certified by BIS India for IS15622 for the ISI mark

Technology: The Company pioneered the introduction of digital printing in technical collaboration with SACMI (Italy), building one of the most expansive digital tiles portfolios. The Company has introduced latest nine colour printing technology

Audit: The Company conducts periodic quality audits in its manufacturing units, strengthening the manufacture of GRIHA-certified products

Sustainable: The Company's CE certification and IGBC-member status enhances its export acceptability and environment sustainability

10 KEY TRENDS OF OUR SECTOR

1 INCREASED DISPOSABLE INCOMES

Where we see opportunity
Increasing tile off-take; India's per capita tile consumption only 0.5 square meters compared with a global average of 1.5 square meter

What we are doing about it
Launching new products across business verticals, Increasing tile manufacturing capacities and distribution reach today benchmarked around tomorrow's needs

2 EMERGING BHARAT STORY

Where we see opportunity
Growing off-take from non-metro locations (Tier 2 and 3 Indian urban clusters)

- Increase in government spending on infrastructure
- Focus on Swach Bharat Abhiyan & Pradhan Mantri Awaas Yojna
- Increase in disposable incomes across geographies

What we are doing about it
Widening our distribution presence we are targeting to reach 1200 direct dealers by end of FY2018 from current 970 dealers; and increasing touch points from 5300 to 6000

3 MARKET REWARDING SECTORAL OUTLIERS

Where we see opportunity
Large market cap gap between the second largest listed tile company and us (third)

What we are doing about it
Enhancing our RoCE focus (value over volume)

4 INCREASED HOME PRIDE

Where we see opportunity
Greater receptivity for modern designs, textures and finishes

What we are doing about it
Growing production of tiles (floor and wall / PVT, GVT and double-charged) and non-tile variants (marble and quartz)

5 LARGER INTERIOR SPACES

Where we see opportunity
Larger tiles that blur the visual difference between tiles and marble

What we are doing about it
Pioneering the introduction of the largest tiles seen in India



6 NON-TILE SEGMENT

Where we see opportunity
Increasing appetite for non-tile interior products

What we are doing about it
We increased quartz processing lines (automated), selecting to process multi-colour quartz with 99.9% silica content and thicker product alternatives

7 PORTFOLIO PROSPECTS

Where we see opportunity
Offtake driven by the showcasing the complete portfolio

What we are doing about it
We launched 16 company-owned stores (size 4000 sqft-plus) to showcase our entire product range (sales routed through EBOs). To improve product visibility we have budgeted expenses of around 2% of topline sales for marketing in FY2018

8 PRODUCT AVAILABILITY

Where we see opportunity
Purchases influenced by product availability

What we are doing about it
We widened our distribution presence; we increased dealers and sub-dealers from 4500 to 5300 and intend to increase to a targeted 6000 in 2017-18



9 TECHNOLOGY EDGE

Where we see opportunity
Innovation in terms of technology (texture)

What we are doing about it
We introduced nine-colour printing machines to enhance product sophistication and make it possible to virtually replicate any finish and texture

10 INFLUENCER ROLE

Where we see opportunity
Growing influence of architects and interior designers

What we are doing about it
We worked closely with a number of opinion-influencers, understanding their design preferences and showcasing our latest products for them

OUR TARGETED OBJECTIVE

1 INCREASED TURNOVER

We intend to increase gross revenues to ₹2000 crore in the next four years, amortising fixed costs more effectively

2 INCREASED EBITDA MARGIN

We intend to enhance our consolidated EBITDA margin by 300-400 bps over next four years

3 HIGH INVESTMENTS: REVENUE RATIO

The quartz project is expected to generate a capex: revenue ratio of 3x

4 VALUE-ADDED CONSOLIDATED REVENUE PROPORTIONS

The proportion of revenues from value-added products expected to increase from around 35% (FY15) to more than 65-70% over the next 3-4 years

8 WAYS IN WHICH WE INTEND TO ENHANCE VALUE

1

LARGER TILES

We pioneered the introduction of tiles in excess of 800mm either side, enjoying disproportionately higher realisations

2

HIGHER UTILISATION

We intend to increase the utilisation of our Himmatnagar plant capacity from 65% in FY17 to 85% over the next 3 to 4 years

3

SUPERIOR TILE FINISHES

We have 12 automatic digital tile finishing machines to enhance tile sophistication

4

DOUBLING CAPACITY OF QUARTZ LINES

To increase our presence in the high margin quartz stone segment, we doubled our capacity. This will help us improve margins and widen our product portfolio following the introduction of 20mm and 30mm varieties

5

PORCELAIN POLISHED TILES

We embarked on the production of PPT to address a mid-market segment, capturing a larger customer wallet share

6

STRONGER WORKING CAPITAL MANAGEMENT

We tightened receivables management, intending to reduce receivables by around 30 days of consolidated turnover over the next 3-4 years

7

ASSET LIGHTNESS

We intend to focus on the Joint Venture Model to expand our capacity

8

TRADE LOW-VALUE PRODUCTS

We intend to outsource the production of low value products (that complete our product mix) to other companies

ASIAN GRANITO – MORE THAN A MANUFACTURER. A PIONEER INSTEAD

First to introduce large format wall and vitrified tiles

First to introduce Grestek XXL large format tiles

First to introduce full body tiles in India

First to introduce 16mm heavy duty vitrified tiles – Grestek Hardstone





First to introduce Slimgres tiles - Jumbo 1000x1000mm and Imperio 800x800mm double charge technology in India



First to introduce world's whitest (Cararra White) double charge vitrified tiles



Only tiles company with proprietary manufacture of Engineered Marble & Quartz stone in India



BUSINESS SEGMENT REVIEW

TILES

Consolidated snapshot

- **Manufacturing facilities:** 8
- **Installed capacity:** 1 lac sq mt per day
- **Production in 2016-17:** 16.5 msm
- **Capacity utilization:** 65%
- **Sales 2016-17:** 28.2 msm
- **Sales growth over 2015-16:** 7.2%
- **Consolidated Net Revenue, 2016-17:** ₹1066 crore

Market overview

Asian Granito is one of the leading manufacturers of tiles in India. The Company manufactures tiles under four verticals - ceramic, vitrified, GVT and parking. Consolidated tile revenues increased 7.2% in FY 2016-17. Exports accounted for 6% of the consolidated net revenue generated by the Company in FY17.

Competence

Brand: Respected as a pioneering brand credited with having launched a number of products and features for the first time in India

Acquisition: Amalgamated Artisique Ceramics Pvt Ltd with AGL. The Company has issued 157 equity shares of ₹10 each of AGL for every 100 equity share of face value ₹10 each held in Artistique Ceramics. Consideration was paid taking into the account Artistique holding 70% stake in Crystal Ceramic and 94.2% stake in Amazoone Ceramic

Experience: The Company possesses more than 17 years of rich tile industry experience

Capacity: The Company possessed an installed capacity of 1 lac sq mt per day as on 31st March, 2017, the fourth largest in India's tile industry

Range: The Company offered choice across tile categories (ceramic to polished vitrified to glazed to double-charged), sizes, polishes and finishes; tiles ranging from ₹30 per square feet to ₹235 per square feet

Reach: The Company's products were available across Tier I and Tier II cities in the country, Metro cities in India and more than 50 countries

Technology: The Company invested in digital printing manufacturing technology

Presence: The Company's 16 Company Owned and Company Operated (COCO) stores showcased the full range of products in addition to 120 Exclusive Brand Outlets (Franchisee Owned and Franchisee Operated). The Company addressed the growing demand in metro cities through 400-500 sq ft outlets (Tile Express), B and C Class Indian cities through 800-1000 sq ft outlets (AGL Exclusive) and fringe metro locations through 1600-2000 sq ft outlets (AGL World) and standalone stores in Bangalore, Kerala and Hyderabad demand through 2500 sq ft-plus stores (AGL Universe)

Industry optimism

India is the world's third largest tile producer, with about 6.5% of all tiles produced (after China and Brazil). However, among the leading tile exporting countries, China was the number one country, followed by Spain and Italy.

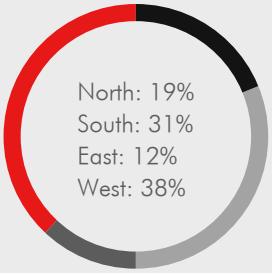
India accounted for about 6.25% of global ceramic tile consumption in CY2014. The consistent growth of the organized sector during the last four years was backed by a widening of the product portfolio and geographical reach. India's unorganized sector accounted for nearly 50% of the country's output, represented by more than 500 family-owned entities and around 15 entities in the organized segment. This provided opportunity for consolidation and cost-effective organized sector growth.



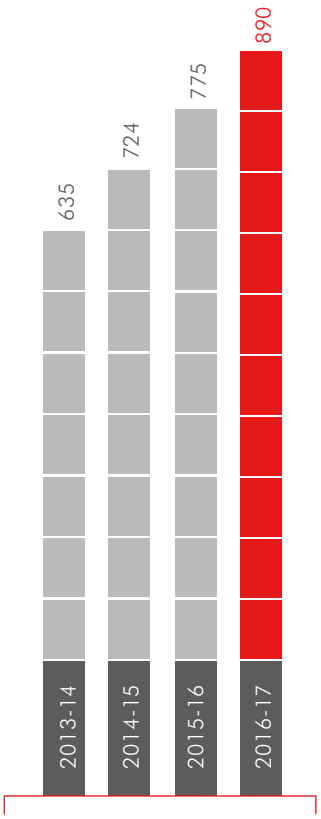
Priorities 2017-18

- The Company targeted revenue growth in double-digit percentage terms in FY2017-18 on back of higher capacity utilization, increase in exports and revenues from the new quartz plant
- Increase the proportion of value-added products in revenues from 35% to 65-70% over the next 3-4 years
- Introduce three tile variants, the largest in the country; increase the proportion of revenues from tiles larger than 800x800mm and 1000x1000mm
- Widen the rollout of new designs from 1200+ to 1500 in FY2018
- Launch porcelain polished tiles with a GVT-like finish for consumers who cannot afford GVT tiles, representing value-addition of around ₹32 per sq ft over ceramic tiles (₹23 per sq ft)
- Commission 9-colour digital printing technology for the first time in India to enhance tile finishes and strengthen realisations of wall tiles (most competitors engage in four-colour printing)
- Strengthen dealer–distributor network, raising the number from 5300 to 6000; increase distribution presence in North and East India
- increase the number of Exclusive Brand Outlets from 120 to 200 by the end of FY2018
- Strengthen the Business Development & Projects team; create a vertical to focus on rising government tenders

Regional consolidated revenues, 2016-17

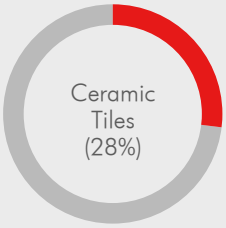


NET REVENUE
₹ CRORE

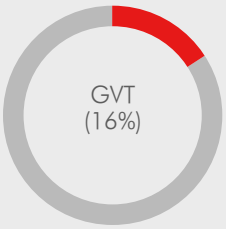


Tile Express	400-500 sq. ft. [metros]
AGL Exclusive	800-1000 sq. ft. [B & C class of towns]
AGL World	1600-2000 sq. ft. [emerging metro cities]
AGL Universe	2500+ sq. ft.

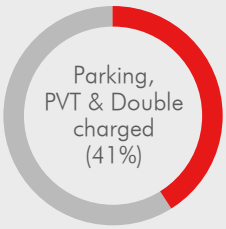
REVENUE MIX



- Digital wall tiles
- Porcellanto wall tiles
- Digital Floor
- Porcellanto Floor



- Marvel Colour Body Tiles
- Slimgress
- Hard Stone
- Hi-Tech Tuff Guard Digital
- Grestek – Digital Glazed Vitrified
- XXL
- Splendour Series



- Soluble Salt
- Homogeneous Body
- Nano Tech - Double Charge
- Grandura Exteriors
- Grandura Digital
- Imperio – Double Charge
- Jumbo – Double Charge
- Parking Tiles –Grandura Plus
- GranduraPixelo
- Grandura Exterior



BUSINESS SEGMENT REVIEW

MARBLE & QUARTZ

Consolidated snapshot

- **Manufacturing facilities:** Dalpur
- **Installed capacity:** 0.99 msm (million square metres) per annum
- **Production in 2016-17:** 0.71msm
- **Capacity utilization:** 72%
- **Sales 2016-17:** 1.07 million square meter
- **Consolidated Net Revenue 2016-17:** ₹161crore
- **Contribution to the total revenue 2016-17:** 15%
- **Revenue growth 2016-17:** 7.3%

Market overview

Asian Granito's marble and quartz business accounted for 15% of the Company's consolidated revenues in 2016-17.

India possesses a wide spectrum of dimensional stones that include granite, marble, sandstone, limestone, slate and quartzite, spread across the country. India is also amongst the largest producers of raw stone material; the sector is developed and vibrant in the South, as well as in Rajasthan and Gujarat. India also has an indigenous resource of machinery and tool manufacturers who cater to the growing demands of this sector.

The Indian stone industry has evolved into the production and manufacturing of blocks, flooring slabs, structural slabs, calibrated - ready to fix tiles, monuments, tomb stones, sculptures, artifacts, cobbles, cubes, kerbs, pebbles and landscape garden stones. A wide variety of marbles with different surface appearance is available mostly in western parts of India in states of Rajasthan and Gujarat.

The Company is engaged in processing marble and quartz with an installed production capacity of 3000 square meter per day. The Company procures raw material from proximate quarries in Rajasthan with modest logistic costs.

The Company enjoys respectability in this tile-complementary segment, generating superior realisations. Post expansion in quartz by 800 square meters per day, the Company is targeting exports to US, Canada, EU and other Middle East Asian countries. The Company will mainly export 30 mm of quartz stone to these countries.

Highlights 2016-17

- Revenues from quartz and marble grew 7.3%
- Production capacity of Marble and Quartz increased from 3000 sq m per day in FY2016 to 3800 sq m per day in FY2017
- Added 55 direct dealers to the distribution network

Competence

Experience: The Company has more than seven years of experience in processing quartz and marble

Capacity: The Company commissioned one automatic machine and converted from non-automated to automated

Range: The Company offered multi-colour quartz with the highest silica percentage (99.99%) offered upto 30mm thickness compared to the usual 97% silica in the 15mm thickness offered by competition

Technology: The Company automated two of its three quartz processing machines, enhancing output and efficiency

Presence: The Company marketed products through 120 exclusive brand outlets

Industry optimism

The global demand for quartz is rising. Global sales of high purity quartz was estimated at US$ 555.1 million in 2016 and projected to increase at a CAGR of 8.3% to US$ 1,047.9 million by 2024 according to an industry report. [Business Standard]

The annual demand for marble in India is pegged at



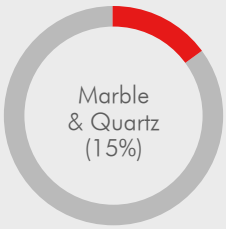
48 million tons; domestic supply is estimated at 116 mt. The country's marble industry is concentrated in Rajasthan and Gujarat; exports account for a large proportion of revenues. The country imported nearly US$260 million of marble and travertine blocks in 2015-16, up from US$238.8 million a year earlier.

The market for quartz in India is estimated at ₹200-250 crore, growing at 25-30% a year. Homeowners are looking at innovative materials like quartz surfaces, which can be toned into different colours and textures for kitchen countertops. The material is durable and marked by low maintenance; quartz is non porous, stain-resistant and safe from oils, liquid and most home-cleaning products.

Priorities 2017-18

- Generate ₹200-210 crore in revenues, a 35% growth
- Introduce 30 mm thick quartz slabs for kitchen platforms and other high end projects.
- Reach untapped markets in India
- Target exports in USA, Canada, Australia and New Zealand.
- Increase presence in international trade exhibitions, enhance visibility among prospective traders and customers

On the MOHS rating scale, marble ranks at 2.5 to 5, meaning it is above-average in terms of hardness and can last generations.



- Multi colour
- Marble
- Nano Crystal
- Imported Natural
- Oynx Marble

The global demand for quartz is rising. Global sales of high purity quartz was estimated at US$ 555.1 million in 2016 and projected to increase at a CAGR of 8.3% to US$ 1,047.9 million by 2024 according to an industry report.

STATUTORY SECTION

Notice

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of **ASIAN GRANITO INDIA LIMITED** (CIN L17110GJ1995PLC07025) will be held on **Thursday, 21st day of September, 2017 at H T Parekh Convention Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 at 11.00 A.M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements as at 31st March, 2017 including the Audited Balance sheet as at 31st March, 2017 the Statement of Profit and Loss for the year ended on that date and reports of the Board of Directors and Auditors' thereon.

2. To confirm the payment of interim dividend on equity shares already paid during the financial year ended 31st March, 2017 and to declare final dividend on equity shares for the said financial year.

   The Board of Directors at its meeting held on 22nd September, 2016 had declared the interim dividend of ₹ 0.50 per equity share of fully paid up face value of ₹ 10/- each and in its meeting held on 30th May, 2017 recommended final dividend of ₹ 0.80 per equity share of fully paid up face value of ₹ 10/- each for the financial year ended 31st March, 2017 amounting total dividend of ₹ 1.30.

3. To appoint a Director in place of Mr. Bhogibhai B. Patel (holding DIN: 00300345), Director, who retires by rotation, and being eligible, offers himself for re-appointment.

4. To appoint Auditors to hold office from the conclusion of this 22nd Annual General Meeting till the conclusion of Company's 27th Annual General Meeting.

   "RESOLVED THAT pursuant to the provisions of Sections 139, 141,142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as may be applicable and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. Manubhai and Shah LLP, Chartered Accountants (Firm Registration No. 106041W/W100136), be and is hereby appointed as Statutory Auditors of the Company, in place of retiring auditors M/s. A. L. Thakkar & Co., Chartered Accountants (Firm Registration No. 120116W), to hold office from the conclusion of this 22nd Annual General Meeting until the conclusion of the 27th Annual General Meeting of the Company, subject to the ratification of their appointment by the members at every Annual General Meeting on such remuneration as may be mutually determined between the said Auditors and Board of Directors of the Company."

SPECIAL BUSINESS:

5. Appointment of Mr. Hemendrakumar C. Shah as an Independent Director.

   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 Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Hemendrakumar C. Shah (holding DIN: 00077654), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors with effect from 20th March, 2017 and who holds office till the date of ensuing Annual General Meeting, in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, signifying his intention to propose Mr. Hemendrakumar C. Shah as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director, not liable to retire by rotation, to hold office for a term of five consecutive years upto 19th March, 2022."

6. Appointment of Dr. Satish Y. Deodhar as an Independent Director.

   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 Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) Dr. Satish Y. Deodhar (holding DIN: 07766673), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors with effect from 20th March, 2017 and who holds office till the date of ensuing Annual General Meeting, in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, signifying his intention to propose Dr. Satish Y. Deodhar as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director, not liable to retire by rotation, to hold office for a term of five consecutive years upto 19th March, 2022."

Registered Office:
202, Dev Arc, Opp. Iskon Temple,
S.G. Highway,
Ahmedabad 380 015

By Order of the Board
For Asian Granito India Limited

Place: Ahmedabad
Date: 10.08.2017

Renuka A. Upadhyay
Company Secretary & Compliance Officer

Notes:

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (the Act) in respect of Special Business to be transacted at the 22nd Annual General Meeting (the 'AGM' or 'Meeting'), is annexed and forms part of this Notice.

2. Brief resume and other particulars of Mr. Bhogibhai B. Patel, pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Secretarial Standard on General Meetings (SS 2), are annexed herewith as Annexure A.

3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.

   THE INSTRUMENT APPOINTING A PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY FILLED STAMPED, COMPLETED AND SIGNED, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.

   A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN AGGREGATE, NOT MORE THAN 10 (TEN) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10 (TEN) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. A PROXY FORM IS ENCLOSED WITH THIS NOTICE.

4. Incomplete proxy forms are considered to be as invalid and the proxy so appointed shall not be entitled to vote on the resolution(s) in the AGM. A proxy holder needs to show his identity at the time of attending the Meeting. Further, in case if the Company receives multiple proxies for the same holding of a member, the proxy which is dated last shall be considered to be as invalid, if it is not dated then all the proxies so send by the member shall considered to be as invalid.

5. Corporate members intending to send their authorized representative to attend the AGM are requested to send to the Company a Certified true copy of the Board Resolution/ Power of Attorney authorizing their representative(s) to attend and vote on their behalf at the Meeting.

6. Members, Proxies and Authorised Representative(s) are

requested to bring the duly filled and signed Attendance Slips (enclosed), complete in all respect along with their copy of Annual Report at the venue of AGM in order to enable us to register your attendance at the venue of the AGM. Members are requested to bring their Folio No. DP ID-Client ID to enable us to provide a duly filled attendance slips for your signature and participation at the Meeting.

7. In case of joint holders attending the Meeting, only the member whose name appears to be first will be entitled to vote.

8. Only bonafide members of the Company whose names appear on the Register of Members / Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the Meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the AGM.

9. As per the provision of Section 72 of the Act, the facility for making Nomination is available for the members in respect of their shareholding in the Company either in single or with joint names. The members are requested to submit the complete and signed form SH-13 with their Depository Participant ('DP') who holds the shares in dematerialized form and those who are holding physical shares shall send the same to the Registrar and Share Transfer Agent – Link Intime India Pvt. Ltd. (the 'RTA').

10. Members holding shares in physical form are requested to notify/send the following to the RTA of the Company:

    i. Any change in their mailing address;

    ii. Particulars of their bank account & e-mail ids in case the same have not been sent earlier;

    iii. Members who hold shares in physical form in multiple folios in identical names are requested to send the share certificate for consolidation into single folio.

    Further, please note that Members holding equity shares in electronic form are requested to contact to their DP with whom they are maintaining the demat accounts for updation in address, e-mail ids, Bank details, Bank mandate, ECS mandate, etc.

11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act will be available for inspection at the AGM.

    All the documents referred to in the accompanying Notice and the Explanatory Statement, are open for inspection at the Registered Office of the Company during the business hours, except on holidays, upto and including the date of AGM and copies there of shall also be made available for inspection in physical or electronic form at the Corporate Office of the Company.

12. A Route Map along with Prominent Landmark for easy location to reach the venue of the AGM is annexed with the Notice of AGM and is also available on the website of the Company.

13. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 8th September, 2017 to Wednesday, 13th September, 2017 (both days inclusive) in terms of the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the purpose of the AGM and determining names of the shareholders eligible for final dividend on equity shares, if declared at this AGM.

14. The dividend as recommended by the Board of Directors of the Company (₹ 0.80 per equity share of Re. 10/- each), if declared at the AGM, will be paid on or before the 30th day from the date of declaration, to those members or their mandates:

    a) Whose names appear in the list of Beneficial Owners as at the end of business hours on Thursday, 7th September, 2017 in the lists of Beneficial Owners furnished by National Securities Depository Limited and Central Depository Services (India) Limited immediately before commencement of the Book closure in respect of shares held in electronic form; and

    b) Whose names appear as member in the Register of Members of the Company after giving effect to the valid transfers in physical forms lodged with the Company and the RTA of the Company on or before Thursday, 7th September, 2017.

15. Members, who have not encashed their dividend warrant for the financial year 2009-10 and/or the dividend warrants issued for any subsequent financial years so far, are requested to make their claim to the Company the RTA of the Company or send an email to info@aglsiangranito.com or ahmedabad@linkintime.com. However, all the unclaimed dividend pertaining to the financial years before the financial year 2009-10 have been transferred to the Investor Education and Protection Fund as per the provision

of Sections 124 &125 of the Act (including corresponding provisions of the Companies Act, 1956). Members may please note that no claim shall lie against the Company in respect of dividend which remains unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account.

Unclaimed dividend information is available on the website of IEPF viz. www.iepf.gov.in and also on the website of the Company www.aglasiangranito.com

The Act read with the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('Rules'), inter-alia, contains provisions for transfer of all shares in respect of which dividend has not been paid or claimed by the shareholder for seven consecutive years or more in the name of Investor Education and Protection Fund ('IEPF').

16. The Securities and Exchange Board of India ('SEBI') has mandated the submission of Permanent Account Number ('PAN') by every participant in the securities market. However, the members having their shareholding in the Demat form are requested to provide their PAN details to their respective DPs and those who have shares in physical mode are requested to provide their PAN details to the Company or the RTA of the Company.

17. (a) The electronic copy of the Annual Report with the Notice of the AGM (along with Proxy Form, Attendance Slip and Route Map to the AGM Venue) for the financial year ending 31st March, 2017 is being sent to all the members whose email IDs are registered with the Company/ DPs unless any member has requested for a physical copy of the same. For Members, who have not registered their email address, physical copies of the Annual Report with the Notice of the AGM (along with Proxy Form, Attendance Slip and Route Map to the AGM Venue) is being sent through permitted mode.

    (b) To support the 'Green Initiative', the members who are yet to register / update their email address with the Company or DPs are once again requested to register / update the same for receiving the Notices, Annual Reports and other documents / communications through electronic mode.

18. The Notice of AGM (along with Proxy Form, Attendance Slip and Route Map to the AGM Venue) and the Annual Report for the year ended 31st March, 2017 are available at the Company's website www.aglasiangranito.com. The Notice of the AGM is also available on www.evoting.cdsl.co.in

19. The Company has dedicated E-mail address info@aglasiangranito.com for members to mail their queries or lodge complaints, if any. We will endeavor to reply to your queries at the earliest.

20. Members desirous of getting any information about the Financial Statements and operations of the Company are requested to address their queries to the Company Secretary at the Corporate Office of the Company at 202, Dev Arc, Opp. Isckon temple, S. G, Highway, Ahmedabad 380015, ten (10) days before the AGM enabling the Company to keep the information ready.

21. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 including amendment thereto and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide facility to the members to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the items of business given in the Notice of the AGM may be transacted through e-voting services. The facility of casting vote through e-voting system from a place other than venue of the AGM ('remote e-voting') will be provided by Central Depository Services Limited ('CDSL').

    The facility of the remote e-voting through electronic means is as an alternate to all members to enable them to cast their votes electronically instead of casting their vote physically at the Meeting. The facility for voting through Ballot Paper shall also be made available at the AGM and the member attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their vote at the Meeting through Ballot Paper at the AGM.

22. The e-voting period commences at 09:00 a.m. on Monday, 18th September, 2017 and ends at 5:00 p.m. on Wednesday, 20th September, 2017. During this period, members of the Company holding shares either in physical form or in dematerialized form, as on Cut-off date of Thursday, 14th September, 2017 ('Cut-off date'), may cast their vote by remote e-voting. No remote e-voting shall be allowed beyond the aforesaid date and time and the remote e-voting module shall be disabled for voting upon expiry of the aforesaid period. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

23. Mr. Rajesh Parekh, Practicing Company Secretary (Membership No. A8073) and failing him Mr. Kamlesh Patel, Practicing Company Secretary (Membership No. A10772) has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

24. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 3 days after the conclusion of the AGM to the Chairman of the Company. The Chairman or any other person authorised by the Chairman, shall declare the result of the voting forthwith. The result declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website www.aglasiangranito.com and on the website of CDSL immediately after the result is declared by the Chairman and the same shall be simultaneously communicated to the BSE Limited and National Stock Exchange of India Limited.

25. The resolution shall be deemed to be passed on the date of AGM, subject to the receipt of sufficient votes.

26. Voting process and instruction regarding e-voting:

Section A: Voting Process (EVSN – 170819025):
Members should follow the following steps to cast their votes electronically.

(i) Open the web browser during the voting period and log on to the e-voting website www.evotingindia.com.

(ii) Click on Shareholders to cast your vote(s).

(iii) Please enter your User ID
   a. For account holders in CDSL: 16 digits beneficiary ID,
   b. For account holders in NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Enter the Image Verification as displayed and Click on "Login".

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used. If you have forgotten the password, then enter the User ID and the image verification code and click on "FORGOT PASSWORD" and enter the details as prompted by the system.

(vi) Follow the steps given below if you are first time user:
   (a) Holding shares in physical form
   (b) Holding shares in demat form

PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on the Address sticker in case of the dispatch of the Annual Report through physical mode and mentioned in the covering e-mail in case of dispatch of soft copy. • In case the sequence number is less than 8 digits enter the applicable number of 0 before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Date of Birth (DOB)	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio no. in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio no. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Depository or Company please enter the DP ID and Client ID / folio number in the Dividend Bank details field as mentioned in Step 3.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then

directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant Asian Granito India Limited on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) Shareholders can also use Mobile app - "m - Voting" for e voting. m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the Company resolution(s).

Section B: Other instruction regarding e-voting:

i. Non - Individual Shareholders and Custodians (i.e. other than Individuals, HUF, NRI etc.) are additionally required to note and follow the instructions mentioned below:

- They are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

ii. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to upload the following in PDF format in the system for the scrutinizer to verify the same:

a) Copy of Board resolution (where institution itself is voting)

b) Power of Attorney issued in favour of the Custodian as well as the Board resolution of the Custodian.

iii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.

iv. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or calling on Toll free No. 1800-200-5533.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item No. 5 and 6.

Item No. 5

The Board of Directors of the Company at their meeting held on 20th March, 2017 appointed Mr. Hemendrakumar C. Shah as an Additional Director of the Company with effect from 20th March, 2017, pursuant to the provisions of Section 161 of the Companies Act, 2013 (Act) and the Articles of Association of the Company.

Mr. Hemendrakumar C. Shah will hold office upto the date of this AGM. The Company has received a notice in writing under Section 160 of the Act from a member, along with a deposit of requisite amount proposing the candidature of Mr. Hemendrakumar C. Shah for the office of the Independent Director, to be appointed as such, under the provisions of Section 149 of the Act.

The Company has received a declaration from Mr. Hemendrakumar C. Shah that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under SEBI Listing Regulations. In the opinion of the Board, Mr. Hemendrakumar C. Shah fulfils the conditions for his appointment as an Independent Director as specified in the Act and SEBI Listing Regulations. Mr. Hemendrakumar C. Shah is independent of the management and possesses appropriate skills, experience and knowledge.

Brief resume of Mr. Hemendrakumar C. Shah

Mr. Hemendrakumar C. Shah holds a Bachelor degree in Commerce and Law, Masters in Commerce as well as qualified Cost and Management Accountant. He is also a Certified Associate of the Indian Institute of Bankers as well as a qualified Company Secretary (CS). His profile include a vast experience of more than 30 years in Finance, Cost & Management Accounting, Banking, Taxation Secretarial, Legal, Insurance and other related matters. Throughout his career he shares an immaculate and passionate professional background of companies like Calico Mills, India's Most Valuable Company ONGC wherein he was a General Manger and Company Secretary, ADANI Enterprise Ltd. as a Deputy General Manager, worked as Chief Financial Officer (CFO) of Elecon Engineering Co. Ltd., Vallabh Vidyanagar and presently working as President (Finance) in SADBHAV Engineering Ltd., Ahmedabad a listed renowned infrastructure company.

DIRECTORSHIP:-

1. As a Director Wizard Fincap Limited, Vallabh Vidyanagar Since February – 2006 to December, 2015.
2. As an Independent Director – Sadbhav Engineering Limited, Ahmedabad -(Listed) – From May -2013 to June – 2014
3. As an Independent Director – Chiripal Poly Films Limited, Ahmedabad – Since 31-03.2015

AWARDS:-

1 He is also a recipient for Excellence in Corporate Governance Award by Institute of Company Secretaries of India (ICSI) in December 2003 by hands of former Dy. Prime Minister Shri L.K. Advani.

2 He is also a recipient of BEST CMA- CFO Award from Institute of Cost Accountants of India, Kolkata in May, 2014.

The Board recommends the resolution set forth for the approval of the members. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution except Mr. Hemendrakumar C. Shah.

Item No. 6

The Board of Directors of the Company at their meeting held on 20th March, 2017 appointed Dr. Satish Deodhar as an Additional Director of the Company with effect from 20th March, 2017, pursuant to the provisions of Section 161 of the Companies Act, 2013 (Act) and the Articles of Association of the Company.

Dr. Satish Deodhar will hold office upto the date of this AGM. The Company has received a notice in writing under Section 160 of the Act from a member, along with a deposit of requisite amount proposing the candidature of Dr. Satish Deodhar for the office of the Independent Director, to be appointed as such, under the provisions of Section 149 of the Act.

The Company has received a declaration from Dr. Satish Deodhar that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under SEBI Listing Regulations. In the opinion of the Board, Dr. Satish Deodhar fulfils the conditions for his appointment as an Independent Director as specified in the Act and SEBI Listing Regulations. Dr. Satish Deodhar is independent of the management and possesses appropriate skills, experience and knowledge.

Brief resume of Dr. Satish Deodhar

Dr. Satish Y. Deodhar (Prof. Deodhar) completed his bachelor's and master's in economics from the Gokhale Institute of Politics

and Economics and received Ph.D. in Agricultural Economics from The Ohio State University. He was the recipient of the Outstanding Ph.D. Dissertation Award from the Food Distribution Research Society, USA. Currently, he teaches economics at the Indian Institute of Management Ahmedabad (IIMA) and has been honoured with the Dewang Mehta Best Professor of Economics Award in 2012 and 2015 by the Business Affairs Council.

Dr. Deodhar has worked on imperfectly competitive market structures, World Trade Organization (WTO), agricultural trade, food quality, and CSR issues. He has conducted research projects for India's Ministry of Food Processing Industry, Ministry of Agriculture, Indian Bank, and Economic Research Service of the US Department of Agriculture. He was selected as the Hewlett Fellow of the International Agricultural Trade Research Consortium during 2006-2008. He has been the recipient of the Distinguished Young Professor Award for Excellence in Research from IIMA. He has authored quite a few monographs and books. One of his books "Day to Day Economics", which he wrote for the IIMA Random House Business Book Series, has gone on to become a national bestseller in non-fiction category with close to 50,000 copies sold till date.

Dr. Deodhar was the pioneer Convener of the largest annual computerized common admission test (CAT) conducted by IIMs for admissions to management schools. He has also held many administrative positions at IIMA including Admission Chair, Placement Chair, PGPX Chair, Welfare Chair and Warden. Currently, he is the Chair of the Post Graduate Programme in Management (PGP). He is a Life Member of the Association of Food Scientists and Technologists (India), and serves on the advisory board of Savida Agri-com Ltd.

The Board recommends the resolution set forth for the approval of the members. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution except Dr. Satish Deodhar.

Annexure A

Information pursuant to the provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with the provisions of the Secretarial Standard on General meetings ('SS-2') issued by the Institute of Company Secretaries of India regarding the Director proposed to be re-appointed:

Name of Director	Mr. Bhogibhai B. Patel (DIN: 00300345)
Date of Birth	18th October, 1969
Age as on 31st March, 2017	48 years
Date of first appointment	11th May, 2011
Qualification	B. Sc, B. Tech
Experience	He is having rich experience of 18 years in ceramic industry.
Terms and conditions of re-appointment	There is no change in the terms and conditions relating to appointment of Mr. Bhogibhai B. Patel as Director of the Company, as approved by the members at the AGM held on 29th day of September, 2011
Remuneration sought and last drawn	As mentioned in the Report on Corporate Governance
Shareholding in the Company as on 31st March, 2017	242299 shares
Relationship with other Directors and Key Managerial Personnel of the Company	Not related with other Directors and Key Managerial Personnel of the Company
No. of Board Meetings attended during the financial year 2016-17	8 (Eight)
Directorships held in other public Limited Companies including other Listed Companies	NIL
Chairmanship/ Membership of the Committee of Board of Directors of the Company	NIL
Chairmanship/ Membership of the Committee of the Board of Directors of other Public limited Companies*	NIL

Note: * The Committee of the Board of Directors includes only Audit committee and Stakeholders Relationship committee as per Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Registered Office:
202, Dev Arc, Opp. Iskon Temple,
S.G. Highway,
Ahmedabad 380 015

By Order of the Board
For Asian Granito India Limited

Place: Ahmedabad
Date: 10.08.2017

Renuka A. Upadhyay
Company Secretary & Compliance Officer

Directors Report

Dear members

Your Directors have pleasure in presenting the 22nd Annual Report of your Company together with the Audited Financial Statement for the year ended 31st March, 2017.

FINANCIAL SUMMARY AND HIGHLIGHTS

The Company's financial performance for the year ended on 31st March, 2017 is summarised below:

(₹ in Lacs)

	Standalone Results	
	Year ended 31st March 2017	Year ended 31st March 2016
Gross Turnover and other receipts	102322.15	95549.80
Profit before Interest and Depreciation	8183.18	7106.03
Less: Interest	2091.34	2375.23
Profit Before Depreciation	6091.84	4730.80
Less: Depreciation	2198.17	2122.30
Profit Before Tax	3893.67	2608.50
Less: Provision for taxation	1097.47	715.30
Profit After Tax	2796.20	1893.20
Balance brought forward from previous year	21540.57	18978.44
Balance carried to Balance Sheet	24155.70	21540.57

FINANCIAL HIGHLIGHTS & STATE OF AFFAIRS OF THE COMPANY

Your Company registered 8.85% growth in net sales from ₹ 87072.75 lacs in 2015-16 to ₹ 94779.45 lacs in 2016-17. Earnings before interest, depreciation and tax (EBIDTA) increased by 15.16% from ₹ 7106.03 lacs in 2015-16 to ₹ 8183.18 lacs in 2016-17 due to increased sales of value-added tiles, cost optimization arising from shop floor efficiencies. The profit after tax grew by 47.70% from ₹ 1893.20 lacs in 2015-16 to ₹ 2796.20 lacs in 2016-17. The earnings per share (basic) increased from ₹ 6.71 in 2015-16 to ₹ 9.29 in 2016-17.

CONSOLIDATED OPERATING RESULTS

The consolidated sales and operating income increased to ₹ 106595.13 lacs from ₹ 99390.01 lacs in the previous year showing a growth of 7.25%. The consolidated EBIDTA margin for the year was Rs. 12712.05 lacs as against Rs. 9167.50 lacs in previous year registering growth of 38.6%. The consolidated net profit increased to ₹ 3911.45 lacs from ₹ 2425.90 lacs in the previous year registering a growth of 61.24%.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company are prepared in accordance with the provisions of section 129 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and under the SEBI (LODR) Regulations, 2015 and forms the part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

The details of operating performance of the Company for the

year, the state of affairs and the key changes in the operating environment have been analysed in the Management Discussion and Analysis section which forms a part of the Annual Report.

TRANSFER TO RESERVES

No amount has been transferred to General Reserve Account during the year under review.

SHARE CAPITAL

The Authorised Equity Share Capital of the Company consist of 36250000 (P.Y. 31250000) equity shares of ₹ 10/- each as 5000000 equity shares are included on account of Amalgamation of erstwhile Artistique Ceramics Private Limited, transferor company and issued, subscribed and paid up Equity Share Capital consist of 30087446 (P.Y. 22582541) equity shares of ₹ 10/- each fully paid up as 7504905 equity shares are issued on account of Amalgamation of erstwhile Artistique Ceramics Private Limited, transferor company.

DIVIDEND

Interim dividend of ₹ 0.50 per equity share of face value of ₹10/- amounting to ₹ 150.44 lacs was paid to the shareholders during the year under review. Further, the Board has recommended a final dividend of ₹ 0.80 per equity share amounting to ₹ 240.70 lacs for approval to shareholders at the 22nd Annual General Meeting of the Company. The total distribution towards dividend of ₹ 1.30 per equity share of face value of ₹ 10/- each. As a part of Good Corporate Governance practice, the Company has adopted a Dividend Distribution policy which is available on the website of the Company www.aglasiangranito.com.

HUMAN RESOURCES

Adapting to change is quintessential to a growing organization's longevity. Over the time, Company has changed to adapt and evolve with the changing economic landscape, while keeping its core values firmly entrenched.

The Human Resource Department has strategic and functional responsibilities for all of the Human Resource disciplines in this changing scenario. There are four corresponding roles for Human Resource: (a) as a strategic partner working to align Human Resource and business strategy, (b) as an administrative expert working to improve organizational processes and deliver basic Human Resource services, (c) as an employee champion, listening and responding to employees' needs, and (d) as a change agent managing change processes to increase the effectiveness of the organization.

Within organization, Human Resource Department has active engagement with employee issues, listening to their concerns and building a professional and stable relation between employees and employers. Managing expectations, being flexible, communicating and adequate training are few of the most significant factors in keeping employees contented. Human Resource Department conducts performance appraisals, career development and up skilling, developing effective reward systems and designing jobs to fit both the needs of the business and employees.

On the Industrial front, the Company continued to foster cordial Industrial Relations with its workforce during the year. The Company has a diverse workforce of 2376 employees as on 31st March, 2017 vis-à-vis 1909 employees as on 31st March, 2016. Going forward, the Company will continue to focus on nurturing the right talent to achieve the business goal.

VIGIL MECHANISM

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism or 'Whistle Blower Policy' for directors, employees and other stakeholders to report genuine concerns has been established. The Audit committee reviews the functioning of the Whistle Blower mechanism on a quarterly basis. The same is uploaded on the website of the Company https://www.aglasiangranito.com/investor-relation

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Prevention of sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. We have not received any sexual harassment complaints during the year 2016-17.

RISK MANAGEMENT

The Company has formalised Risk Management system by formulating and adopting Risk Management Policy to identify, evaluate, monitor and minimize the identifiable business risk in the Organisation. This is an ongoing process and the Audit Committee periodically reviews all the risk and suggests the necessary steps to mitigate the risk if any, which may threaten the existence of the Company.

There is no such risk which in the opinion of the Board may threaten the existence of the Company.

ENVIRONMENT, HEALTH & SAFETY

We believe that Environment, Health and Safety (EHS) are essential and paramount pillars for sustainable growth of our business.

We have developed policies and guidelines which take our EHS compliance beyond the regulatory requirements. The policies also ensure consistent and continuous implementation of the EHS requirements throughout the Company.

A responsibility towards the environment is part of our mandate. We continuously endeavour to minimize adverse environmental impact and demonstrate our commitment to protect the environment.

During the year, all our manufacturing sites remained compliant with applicable EHS regulations.

HOLDING, SUBSIDIARIES, ASSOCIATE, JOINT VENTURE COMPANIES AND THEIR PERFORMANCE

During the year under review, Powergrace Industries Limited has become subsidiary of AGL Industries Limited which is wholly owned subsidiary of your Company. Hence, Powergrace Industries Limited has become step down subsidiary of your Company.

A report on performance and financial position (Form AOC-1) of each of the subsidiaries, Associates and Joint Venture as per the Companies Act, 2013 is provided as Annexure-A.

The annual accounts of the Subsidiary Companies will be made available to any Member of the Company seeking such information at any point of time and are also available for inspection by any Member of the Company at the Registered Office of the Company on any working day during business hours up to the date of the Annual General Meeting. The annual accounts of the Subsidiary Companies are also available on the website of the Company at https://www.aglasiangranito.com/investor-relation

RELATED PARTY TRANSACTIONS

For all related party transactions prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature and such approval is in the interest of the Company. The transactions entered into, pursuant to the omnibus approval so granted, are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval. All related parties transactions are disclosed in note 43 to the financial statements. In accordance with the related party transaction policy of the Company and pursuant to the provisions of Section 188(1) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of all contracts and/or arrangements entered between the Company and the related parties are annexed herewith in form AOC-2 annexed as Annexure- B.

The Related Party Transaction Policy as approved by the Board is uploaded on the Company's website i.e. https://www.aglasiangranito.com/investor-relation

DEPOSITS

Your Company has not accepted any deposits from the public within the meaning of Section 73 and 74 of the Companies Act, 2013 and read with the Companies (Acceptance of Deposits) Rules, 2014 for the year ended 31st March, 2017.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

Details of Loans granted, Guarantees given and Investments made during the year under review, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the note no. 12 and 13 to the Financial Statements.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company believes that a strong internal control framework is necessary for business efficiency, management effectiveness and safeguarding assets. The Company has a well-defined internal control system in place, which is designed to provide reasonable assurance related to operation and financial control. The Management of the Company is responsible for ensuring that Internal Financial Control has been laid down in the Company and that controls are adequate and operating adequately.

The audit scope, mythology to be used, reporting framework is defined in charter of the Internal Audit, which is approved by the Audit Committee of the Board of Directors. The Internal Auditors evaluates the efficacy and adequacy of internal control system, its compliance with operating systems and policies of the

Company and accounting procedures at all the locations of the Company. Based on the report of the Internal Auditors, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are placed before the Audit Committee of the Board. The Internal Audit also continuously evaluates the various processes being followed by the Company and suggests value addition, to strengthen such processes and make them more effective.

INTERNAL CONTROLS WITH RESPECT TO FINANCIAL STATEMENTS

The Company has an adequate system of internal financial control in place with reference to financial statements. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

INSURANCE

The Company's plant, property, equipments and stocks are adequately insured against major risks. The Company also has appropriate liability insurance covers particularly for product liability and clinical trials. The Company has also taken Directors' and Officers' Liability Policy to provide coverage against the liabilities arising on them.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Bhogibhai B. Patel (holding DIN: 00300345), will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

During the year Mr. Maganlal Prajapati (holding DIN: 00564105) and Mr. Shankarlal Patel (holding DIN: 02179603) has resigned on 25th January, 2017 and Mr. Hemendrakumar C. Shah (holding DIN: 00077654)and Dr. Satish Deodhar (holding DIN: 07766673) has been appointed as Additional Independent Director on 20th March, 2017 subject to approval of members in the ensuing Annual General Meeting.

All Independent Directors (IDs) have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details terms of appointment of IDs are disclosed on the Company's website with following link http://aglasiangranito.com/index.php/ investor-relation

MEETINGS OF THE BOARD

During the year eight Board Meetings and one Independent Directors' meeting was held, the details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015 were adhered to while considering the time gap between two meetings. Details of the number of Board Meeting held during the year forms part of the Corporate Governance Report.

COMMITTEES TO THE BOARD

In compliance with the requirement of applicable laws and as part of best governance practices, the Company has following Committees of the Board as on 31st March, 2017:

i. Audit Committee

ii. Stakeholders Relationship Committee

iii. Nomination and Remuneration Committee

iv. Corporate Social Responsibility Committee

v. Administrative Committee

The details with respect to the aforesaid Committees forms part of the Corporate Governance Report.

FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. The Company endeavours, through presentations at regular intervals to familiarize the Independent Directors with the strategy, operations and functioning of the Company. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company.

The Independent Directors also met with senior management team of the Company in informal gatherings.

The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at https://www.aglasiangranito.com/investor-relation

BOARD PERFORMANCE EVALUATION

Pursuant to the provisions of companies Act, 2013 and SEBI Listing regulations, the Board has carried out annual performance evaluation of its own performance, its Committees and the Directors including Chairman.

The evaluation manner has been carried out and has been explained in the Corporate Governance Report.

KEY MANAGERIAL PERSONNEL

There was no change in the Key Managerial Personnel during the year under review.

CORPORATE SOCIAL RESPONSIBILITY

In compliance with the requirements of section 135 of the Companies Act, 2013, the Company has laid down a CSR policy. The contributions in this regard have been also made to the Arham Yuva Seva Group, which is engaged in activities in various fields like Education, Healthcare, Support Orphanage-Ashram, Animal welfare and Arham Aahar (Food) to needy persons, help in natural calamity etc. The composition of the committee, contents of CSR policy and report on CSR activities carried out during the financial year ended 31st March, 2017 in the format prescribed under Rule 9 of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure C forming part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of section 134(3)(c) of the Act, 2013, in relation to financial statements of the Company for the year ended 31st March, 2017 the Board of Directors state that:

i) In the preparation of the annual accounts for the year ended on 31st March, 2017, the applicable accounting standards have been followed and that no material departures have been made from the same;

ii) Appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2017 and the profit and cash flow of the Company for the period 31st March, 2017;

iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) The annual accounts have been prepared on a going concern basis;

v) The Company is following up the proper Internal financial controls and such internal financial controls are adequate and are operating effectively; and

vi) The Company has devised proper system to ensure the Compliance with the provisions of all the applicable laws and that such systems are adequate and operating effectively.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Details of Remuneration under Section 197(12) of the Companies Act, 2013 and details required under Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are also stated in Annexure - D which forms part of this report.

AUDITORS

a) Statutory Auditors

A. L. Thakar and Associates, Chartered Accountants (Firm Registration No. 120116W), Statutory Auditors of the Company along with their network of firms of Chartered Accountants has completed more than 10 years as Statutory Auditors of your Company. Considering the requirements of Section 139(2) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company at their meeting held on 10th August, 2017, based on the recommendation of the Audit Committee, have made its recommendation for appointment of Manubhai and Shah LLP, Chartered Accountants (Firm Registration No. 106041W/W100136), as the Statutory Auditors of the Company by the Members at the 22nd Annual General Meeting of the Company for a term of five consecutive years i.e. from the conclusion of 22nd Annual General Meeting till the conclusion of 27th Annual General Meeting of the Company, subject to ratification of appointment for each year by shareholders at Annual General Meeting pursuant to Section 139 of the Companies Act, 2013. Accordingly, a resolution, proposing to the aforesaid appointment of M/s. Manubhai and Shah LLP, as the Statutory Auditors of the Company forms part of the Notice of the 22nd Annual General Meeting of the Company. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

b) Secretarial Auditor

The Board, pursuant to Section 204 of the Companies Act,

2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment thereof, had appointed M/s. Shilpi Thapar and Associates, Company Secretaries, as the Secretarial Auditors of the Company to conduct the Secretarial Audit as per the provisions of the Companies Act, 2013 for the year 2017-18 (Apr-17 to Mar-18). M/s. Shilpi Thapar and Associates, Company Secretaries have carried out the Secretarial Audit of the Company for FY2016-17 and the Report of Secretarial Auditors in Form MR-3 is annexed with this Report as Annexure-E. The Company will take steps to ensure the compliances on observations of Secretarial Auditors given in their Secretarial Audit Report.

CORPORATE GOVERNANCE

During the year pursuant to SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 the Company has complied with applicable provision of Corporate Governance and a separate report of Corporate Governance is included as a part of Annual Report along with requisite certificate from M/s. A.L. Thakkar & Co., Chartered Accountants, confirming compliance with the conditions of corporate governance is attached to the Report on Corporate Governance.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 forms part of this report as Annexure-F.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as Annexure G.

PARTICULARS OF EMPLOYEES

Your Company does not have any employee drawing remuneration exceeding ₹ 1.02 crores per annum or ₹ 8.50 lacs per month for any part of financial year 2016-17, pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company.

MATERIAL CHANGES

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31st March, 2017.

NATURE OF BUSINESS

There has been no change in the nature of business of the Company.

LISTING OF SHARES

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 532888 and on National Stock Exchange of India Limited (NSE) with scrip code of ASIANTILES. The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2017-18 have been paid.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

ACKNOWLEDGEMENTS

Your Directors thanks all Customers, Investors, Vendors, Bankers, Auditors, Consultants and Advisors for their continued support during the year. We also place on record our appreciation of the contributions of employees at all levels. Your Directors thanks Governments of various countries where we have our operations especially Government of India and its various Ministries.

Your Directors look forward for their continued support in the future for the consistent growth of the Company.

For and on behalf of the Board

Kamleshbhai B. Patel
Chairman and Managing Director
DIN: 00229700

Place: Ahmedabad
Date: 10.08.2017

Annexure - A

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A": SUBSIDIARIES

(₹ in Lacs)

Particulars	Details				
Name of the subsidiary	AGL INDUSTRIES LIMITED	AMAZOONE CERAMICS LIMITED (Formerly known as Bonzer Ceramics Limited)	KEDIYA CERAMICS	CRYSTAL CERAMIC INDUSTRIES PRIVATE LIMITED	POWERGRACE INDUSTRIES LIMITED (Step Down Subsidiary)
CIN No.	U24220GJ2013PLC074983	U26933GJ2003PLC042959	Partnership Firm	U26933GJ2008PTC052576	U24100GJ2013PLC075582
Reporting Period	31-03-2017	31-03-2017	31-03-2017	31-03-2017	31-03-2017
Share capital	187.60	2163.21	670.40	1022.85	5.00
Reserves & surplus	32.55	(832.42)	–	6073.24	78.50
Total Assets	236.41	4565.10	720.40	32754.05	582.80
Total Liabilities (Excluding Share Capital & Reserves)	16.27	3234.31	50.00	25657.97	499.30
Investments	4.94	–	715.99	334.19	0.00
Turnover	147.33	3519.24	0.00	17382.19	1484.59
Profit before Taxation	15.75	174.06	(0.33)	1321.89	45.56
Provision for Taxation	–	(11.73)	0	216.61	14.80
Profit after Taxation	15.75	162.33	(0.33)	1105.28	30.76
Proposed Dividend	–	–	–	–	–
% of shareholding	100	94.20	99.99	70	100

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Lacs)

Name of Associates/Joint Ventures	AGL Panaria Private Limited	Astron Paper & Board Mill Limited
CIN No.	U26933GJ2012PTC070716	U21090GJ2010PLC063428
Latest Audited Balance Sheet Date	For the year ended March, 2017	For the year ended March, 2017
Latest Audited Balance Sheet Date	31/03/2017	31/03/2017
Shares of Associate/Joint Ventures held by the Company on the year end	6416500	8775000
Amount of Investment in Associates/Joint Venture	641.65	877.5
Extend of Holding %	50%	27%
Description of how there is significant influence	Due to Percentage (%) of Share Capital	Due to Percentage (%) of Share Capital
Reason why the associate/joint venture is not consolidated	NA	NA
Net worth attributable to shareholding as per latest audited Balance Sheet	59.6	4520.66
Profit/Loss for the year	(241.62)	1006.78
i. Considered in Consolidation	(120.81)	271.83
ii. Not Considered in Consolidation	(120.81)	734.95

For, A.L. Thakkar & Co.
Chartered Accountants
FRN: 120116W

Sanjiv V Shah
Partner
M No. 42264

KAMLESHBHAI B. PATEL
Chairman and Managing Director
DIN: 00229700

MUKESHBHAI J. PATEL
Managing Director
DIN: 00406744

Place: Ahmedabad
Date: 10.08.2017

Annexure-B

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

1. Details of contracts or arrangements or transactions not at Arm's length basis:

Sl. No	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements / transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
NIL								

2. Details of material contracts or arrangements or transactions at Arm's length basis:

Sl. No	Name of Related Party & Nature of Relationship	Nature of Contract/ arrangement/ transaction	Duration of Contract/ arrangement/ transaction	Salient terms of Contract/ arrangement/ transaction, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1	Affil Vitrified Pvt. Ltd. (Director's Relatives are shareholders in the Company)	Purchase of Tiles	From 11.02.2017 to 10.02.2022	The seller agree to sell the premium and standard qualities of its vitrified tiles to the Company in the brand name of "AGL/BONZER7"	25.01.2017	
2	Amazoone Ceramics Limited (Subsidiary Company)	Purchase of Tiles	From 01.06.2016 to 31.05.2021	Seller agree to sell the premium and standard qualities of its Digital Porcelain Tiles and Ceramics Floor Tiles to the Company under in the Brand Name of "AMAZOONE"	11.08.2016	
3	Relatives of Key Managerial Personnel	Salary	From 01.12.2016 and continuous in nature	Salary on account of rendering services	25.01.2017	
4	Powergrace Industries Limited (Step Down Subsidiary)	Sale	From 01.01.2017 to 31.12.2022	Buyer agrees to buy Marble and Quartz etc. under the brand name of "AGL" for the marketing of seller's product.	25.01.2017	
5	Powergrace Industries Limited (Step Down Subsidiary)	Purchase	From 01.01.2017 to 31.12.2022	Seller agrees to sell tiles spacers and other products in the Brand Name of "PowerGrace"	25.01.2017	
6	Aaryan Buildspace LLP	Sale of Goods	From 01.01.2017 to 31.12.2022	Sale of Goods	25.01.2017	
7	Affil Vitrified Pvt. Ltd. (Director's Relatives are shareholders in the Company)	Sale of Goods	From 11.02.2017 to 10.02.2022	Sale of Goods	25.01.2017	

For and on behalf of the Board of Directors

KAMLESHBHAI B. PATEL
Chairman and Managing Director
DIN: 00229700

Place: Ahmedabad
Date: 10.08.2017

Annexure - C

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

   In compliance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, the Company has framed a CSR Policy which is uploaded on the website of the Company i.e. https://www.aglasiangranito.com/investor-relation

   On recommendation of CSR Committee, the Board of Directors approved the CSR spending by providing financial assistance to Arham Yuva Seva Group which is engaged in activities in various fields like Education, Healthcare, Support Orphanage- Ashram, Animal welfare and Arham Aahar (Food) to needy persons, help in natural calamity etc.

2. The Composition of the CSR Committee: Please refer to the Corporate Governance report for composition of CSR Committee

3. Average net profit of the Company for last three financial years: ₹ 2287.32 Lacs

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): ₹45.75 Lacs

5. Details of CSR spent during the financial year.

   (a) Total amount to be spent for the financial year: ₹ 45.75 Lacs

   (b) Amount unspent, if any; Nil

   (c) Manner in which the amount spent during the financial year is detailed below.

(₹ in Lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local Area or other (2)Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub Heads: (1) Direct Expenditure on projects or programs (2) Overhaeds:**	**Cumulative expenditure up to the reporting period**	**Amount spent: Direct or through implementing agency**
1	Arham Yuva Seva Group	Promoting Education, Healthcare, Support Orphanage-Ashram, Animal welfare and Arham Aahar (Food) covered under Schedule VII (i) and (ii)	Arham Yuva Seva Group is under process of spending the amount on need basis at affected areas	45.75	45.75	314.59	It is through Arham Yuva Seva Group

6. In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.- N.A.

7. The CSR Committee hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of Board

Mukeshbhai J. Patel
Managing Director
DIN: 00406744

Kamleshbhai B. Patel
Chairman of CSR Committee
DIN: 00229700

Place: Ahmedabad
Date : 10.08.2017

Annexure - D

STATEMENT OF DISCLOSURE OF REMUNERATION

UNDER SECTION 197 OF THE COMPANIES ACT 2013 AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

I. Ratio of remuneration of each Executive Director to the median remuneration of Employees of the Company for the financial year 2016-17, the percentage increase in remuneration of Chairman & Managing Director, Managing Directors, Executive Directors, Company Secretary and CFO during the financial year 2016-17:

Sl No.	Name of Director/ KMP	Designation	Ratio of Remuneration of each director to median remuneration of employees	Percentage (%) increase in Remuneration
1	Kamleshbhai B Patel	Chairman and Managing Director	24.46	11%
2	Mukeshbhai J Patel	Managing Director	19.28	9%
3	Sureshbhai J Patel	Director	19.28	9%
4	Bhaveshbhai V Patel	Director	16.53	0%
5	Bhogibhai B Patel	Director	11.02	0%
6	Kanubhai B Patel	Director	13.77	0%
7	Renuka A Upadhyay	DGM (Legal) & Company Secretary	Not Applicable	12%
8	Kalidasbhai J Patel	Chief Financial Officer	Not Applicable	12%

Note:

a) The Non-Executive Directors of the Company are entitled for sitting fees. The detail of remuneration of Non-Executive Directors is provided in the Report on Corporate Governance and is governed by the Nomination and Remuneration Policy, as stated herein below. The ratio of remuneration and percentage increase for Non-Executive Directors remuneration is therefore not considered for the purpose above.

II

Sl No.	Particulars	Details
1	% increase in the median remuneration of employee in the financial year 2016-17	0.66%
2	Total number of employees of the Company as on 31st March 2017 (on standalone basis)	2376
3	The median remuneration of employees of the Company during the year under review	₹ 1.08 Lacs
4	Average percentile increase in the salaries of employees excluding managerial personnel during financial year 2016- 17 and comparison with the percentile increase in remuneration of Executive	Average increase in the salaries of employees excluding managerial personnel is 8 to 12% whereas the salary of managerial personnel is 12 to 15%.
5	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	The increase in the remuneration of median employees of the Company is in relation with the industrial standards of similar field.

III. The Company affirms remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

KAMLESHBHAI B. PATEL
Chairman and Managing Director
DIN: 00229700

Place: Ahmedabad
Date: 10.08.2017

NOMINATION AND REMUNERATION POLICY

I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted Remuneration Committee comprising of three non-executive Independent Directors as required under Listing Agreement. In order to align with the provisions of the Companies Act, 2013 and the amended Listing Agreement from time to time, the Board on 24th May, 2014 changed the nomenclature of the "Remuneration Committee" as "Nomination and Remuneration Committee" and reconstituted the Committee with three non-executive Independent Directors and one executive Director (i.e., Chairperson of the Company) as Member of the Committee.

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement.

II. OBJECTIVE

The Key Objectives of the Committee would be:

a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.

c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

III. DEFINITIONS

"Board" means Board of Directors of the Company. "Company" means "Asian Granito India Limited."

"Employees' Stock Option" means the option given to the directors, officers or employees of a Company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price.

"Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.

"Key Managerial Personnel" (KMP) means

(i) Chief Executive Officer or the Managing Director or the Manager,

(ii) Company Secretary,

(iii) Whole-time Director,

(iv) Chief Financial Officer and

(v) Such other officer as may be prescribed.

"Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

"Policy or This Policy" means, "Nomination and Remuneration Policy."

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

"Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

IV. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

V. GUIDING PRINCIPLES

The Policy ensures that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

VI. ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.

b) Formulate criteria for evaluation of Independent Directors and the Board.

c) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.

d) To carry out evaluation of every Director's performance.

e) To recommend to the Board the appointment and removal of Directors and Senior Management.

f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

h) To devise a policy on Board diversity.

i) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

VII. MEMBERSHIP

a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.

b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.

c) Minimum two (2) members shall constitute a quorum for the Committee meeting.

d) Membership of the Committee shall be disclosed in the Annual Report.

e) Term of the Committee shall be continued unless terminated by the Board of Directors.

VIII. CHAIRMAN

a) Chairman of the Committee shall be an Independent Director.

b) Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.

c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

d) Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

IX. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

X. COMMITTEE MEMBERS' INTERESTS

a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

XI. VOTING

a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

XII. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

3. The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director/Manager who has attained the age

of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **Term / Tenure:**
  1. Managing Director/Whole-time Director/Manager (Managerial Person):
     - The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
  2. Independent Director:
     - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-disclosure of such appointment in the Board's report.
     - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1 October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
     - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **Evaluation:**
  The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

- **Removal:**
  Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**
  The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

XIII. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

- **General**:
  1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
  2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
  3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within

the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.

4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **Remuneration to Managerial Person, KMP and Senior Management:**

  1. **Fixed pay:**
     Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

  2. **Minimum Remuneration:**
     If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

  3. **Provisions for excess remuneration:**
     If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

- **Remuneration to Non-Executive / Independent Director:**

  1. **Remuneration / Commission:**
     The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

  2. **Sitting Fees:**
     The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

  3. **Limit of Remuneration /Commission:**
     Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

  4. **Stock Options:**
     An Independent Director shall not be entitled to any stock option of the Company.

XIV. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

XV. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

Annexure - E

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended on 31st March, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Asian Granito India Limited
(CIN: L17110GJ1995PLC027025)
202, Dev Arc, Opp. Iskon Temple, S.G. Highway,
Ahmedabad 380015, Gujarat

Dear Sir/Madam,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practices by M/S. ASIAN GRANITO INDIA LIMITED (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed with Regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on 31st March 2017 (hereinafter referred to as 'Audit Period"), generally complied with the statutory provisions listed hereunder and also the Company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We further report that maintenance of proper and updated books, papers, Minutes Book, filing of forms and returns, with applicable statutory authority is responsibility of management of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test basis, the books, papers, minutes book, forms and returns filed and other records maintained by the Company and produced before us for the Audit Period, accordingly to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under, and The Companies Act, 1956 (to the extent applicable during our Audit Period);

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(vi) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent the same was applicable to the Company;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (w.e.f May 15, 2015);

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -Not Applicable

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

  (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back any of its securities during the year under review;

(vi) As confirmed and certified by the management, there is no

law specifically applicable to the Company based on the Sectors / Businesses.

2) We have also examined compliances with applicable clauses of the following:-

   (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India under provisions of The Companies Act, 2013 w.e.f.1st July, 2015 and

   (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Effective from 1st December, 2015)

Based on the above said information provided by the Company, we report that during the financial year under report, the Company has generally complied with the applicable provisions of the above mentioned Acts including the applicable provisions of the Companies Act, 2013 and Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent mentioned below :.

a) In few instances, the Company has published the specified information in the Newspapers subsequent to the submission of the same to the Stock Exchange(s).

(b) The Company has granted loans to body corporate covered in the Register maintained under section 189 of The Companies Act, 2013.

We further report that as per information given by the management of the Company, maintenance of cost records has not been prescribed by the Central Government for the Company under section 148(1) of the Act.

We further report that compliance of applicable Labour laws, other statutory laws and financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

We further report that:

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Based on the representation made by the Company and its officer, Majority decision is carried through and that there were no dissenting member's views on any of the matter during the year that were required to be captured and recorded as part of the minutes.

c) Based on general review of compliance mechanisms established by the Company and on basis of management representations, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period the following specific events / actions took place which have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

(i) The Hon'ble High Court of Gujarat vide its order dated 16th June, 2016 has sanctioned the Scheme of Amalgamation of Artistique Ceramics Private Limited ("Transferor Company") with Asian Granito India Limited ("Transferee Company") and their respective shareholders and creditors. Accordingly, allotment of 75,04,905 fully paid up Equity Shares of ₹ 10/- (Rupees Ten only) each was done by the Transferee Company and Main Object clause and Authorized share capital clause of Memorandum of Association of the Company was amended by the Transferee Company pursuant to approved Scheme of Arrangement in nature of Amalgamation by Hon'ble High Court of Gujarat between Artistique Ceramics Private Limited and Asian Granito India Limited and their respective shareholders and creditors.

For Shilpi Thapar & Associates
Company Secretaries

CS Shilpi Thapar
Membership No. : F5492
COP No. : 6779

Place: Ahmedabad
Date: 10.08.2017

{This report is to be read with our letter of even date, which annexed as "Annexure-A" and forms an integral part of this report}

"Annexure-A"

To
The Members,
Asian Granito India Limited
(CIN: L17110GJ1995PLC027025)
202, Dev Arc, Opp. Iskon Temple, S.G. Highway,
Ahmedabad 380015, Gujarat

Our report of even date is to be read along with this letter:

MANAGEMENT RESPONSIBILITY:

i. Maintenance of secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;

ii. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;

iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company, related party transactions figures and AS-18 disclosures of the Company provided to us or verified compliances of laws other than those mentioned above;

iv. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;

v. We have obtained Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.

vi. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Shilpi Thapar & Associates
Company Secretaries

CS Shilpi Thapar
Membership No. : F5492
COP No. : 6779

Place: Ahmedabad
Date: 10.08.2017

Annexure - F

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2017

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L17110GJ1995PLC027025
Registration Date	08.08.1995
Name of the Company	Asian Granito India Limited
Category / Sub-Category of the Company	Company having share capital
Address of the Registered Office and contact details	202, Dev Arc, Opp. Iscon Temple, S. G. Highway, Ahmedabad 380015 Telephone No.-91 79 66125500/698 Email ID: info@aglasiangranito.com
Whether listed company	Yes (BSE, NSE)
Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083 Phone: 022 4918 6000, Email ID: ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	Tiles (Wall / Vitrified / Ceramics)	23912	82.76%
2.	Marble & Quartz	08101	16.87%
3.	Others		0.37%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	AGL Industries Limited D-702, Seventh Floor Ganesh Meriden, Opp. High Court, S.G.Highway, Ahmedabad - 380060, Gujarat	U24220GJ2013PLC074983	Wholly owned subsidiary company	100	2(87)
2	Amazoone Ceramics Limited (Formerly known as Bonzer Ceramics Limited) Block No. 83 (old Block No.450), At: Dalpur Taluka: Prantij, District: Sabarkantha Prantij Sabar Kantha - 383120, Gujarat	U26933GJ2003PLC042959	Subsidiary Company	94.20	2(87)
3	Crystal Ceramic Industries Private Limited. 338/9, Raj Park Society, Nr. Samrudhi Tenament B/h. Jethabhai's Vav, Vatva Road, Isanpur Ahmedabad - 382443, Gujarat	U26933GJ2008PTC052576	Subsidiary Company	70.00	2(87)
4	Astron Paper & Board Mill Limited D-702, Seventh Floor Ganesh Meriden, Opp. High Court, S.G.Highway Ahmedabad - 380060, Gujarat	U21090GJ2010PLC063428	Associate	27	2(6)
5	AGL Panaria Private Limited B-702, Shapath-IV Opp. Karnavati Club, S. G. Highway Ahmedabad 380015, Gujarat	U26933GJ2012PTC070716	Associate	50	2(6)
6	Powergrace Industries Limited Shop No. 305, 3rd Floor, Devarc, Opp. Iscon Temple, S.G. Highway, Ahmedabad 380015	U24100GJ2013PLC075582	Step Down Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category – wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				# % Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual / HUF ##	8472931	0	8472931	37.52	9958331	0	9958331	33.10	–
b) Central Govt.	0	0	0	0	0	0	0	0	–
c) State Govt (s)	0	0	0	0	0	0	0	0	–
d) Bodies Corp.	0	0	0	0	0	0	0	0	–
e) Banks / FI	0	0	0	0	0	0	0	0	–
f) Any Other...	0	0	0	0	0	0	0	0	–
Sub-total (A) (1) :-	**8472931**	**0**	**8472931**	**37.52**	**9958331**	**0**	**9958331**	**33.10**	**–**
2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	–
b) Other Individuals	0	0	0	0	0	0	0	0	–
c) Bodies Corp.	0	0	0	0	0	0	0	0	–
d) Banks / FI	0	0	0	0	0	0	0	0	–
e) Any Other....	0	0	0	0	0	0	0	0	–
Sub-total (A) (2) :-	0	0	0	0	0	0	0	0	**–**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**8472931**	**0**	**8472931**	**37.52**	**9958331**	**0**	**9958331**	**33.10**	**–**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	533000	0	533000	1.77	–
b) Banks / FI	24333	0	24333	0.11	68550	0	68550	0.23	–
c) Central Govt.	0	0	0	0	0	0	0	0	–
d) State Govt(s)	0	0	0	0	0	0	0	0	–
e) Venture Capital Funds	0	0	0	0	0	0	0	0	–
f) Insurance Companies	0	0	0	0	0	0	0	0	–
g) FIIs	0	0	0	0	0	0	0	0	–
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	–
i) Others (specify)	0	0	0	0	0	0	0	0	–
- Foreign Portfolio Investors	8230	0	8230	0.04	909019	0	909019	3.02	–
Sub-total (B)(1) :-	**32563**	**0**	**32563**	**0.14**	**1510569**	**0**	**1510569**	**5.02**	**–**

(i) Category – wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				# % Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	4142330	0	4142330	18.34	7213634	0	7213634	23.98	–
ii) Overseas	0	0	0	0	0	0	0	0	–
b) Individuals									
Individuals shareholders holding nominal share capital upto ₹2 lacs for Financial Year 2016-17	2875978	333	2876311	12.74	2945114	483	2945597	9.79	–
i) Individual shareholders holding nominal share capital in excess of ₹ 2 lacs for Financial Year 2016-17	5506785	0	5506785	24.39	7075757	0	7075757	23.52	–
c) Others (specify)									
Directors	335639	0	335639	1.48	335639	2	335641	1.11	–
Hindu Undivided Family	642162	0	642162	2.84	656050	0	656050	2.18	–
Trusts	0	0	0	0	15250	0	15250	0.05	–
Custodians / Clearing member	500483	0	500483	2.22	314289	0	314289	1.04	–
NRIs	73337	0	73337	0.32	62328	0	62328	0.21	–
Sub-total(B)(2) :-	**14076714**	**333**	**14077047**	**62.34**	**18618061**	**485**	**18618546**	**61.88**	**–**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**14109277**	**333**	**14109610**	**62.48**	**20128630**	**485**	**20129115**	**66.90**	**–**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	**–**
Grand Total (A+B+C)	**22582208**	**333**	**22582541**	**100**	**30086961**	**485**	**30087446**	**100**	**–**

Note:

Change in % Shareholding is not due to purchase/ sale of Shares by the Shareholders but due to increase in paid up Share Capital of the Company from 22582541 to 30087446 consequent upon allotment of 7504905 Equity Shares on 25.07.2016 to the Shareholders of Artistique Ceramics Private Limited pursuant to approval of Scheme of Amalgamation of Artistique Ceramics Private Limited with your Company vide order of Hon'ble High Court of Gujarat dated 16th June, 2016.

The promoter shareholding is given in brief as below table.

(ii) Shareholding of Promoters

Sl No.	Name of Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			* % Change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Kamleshbhai Bhagubhai Patel **	2438768	10.80	0	3437448	11.42	0	0.62
2	Mukeshbhai Jivabhai Patel **	1715619	7.60	0	2458319	8.17	0	0.57
3	Sureshbhai Jivabhai Patel	1122793	4.97	0	1122793	3.73	0	(1.24)
4	Rameshbhai Bhikhabhai Patel	331615	1.47	0	331615	1.10	0	(0.37)
5	Hasmukhbhai D Patel	287669	1.27	0	287669	0.96	0	(0.31)
6	Punjabhai Motibhai Patel ***	255980	1.13	0	0	0	0	–
7	Bhogibhai B. Patel	242299	1.07	0	242299	0.81	0	(0.26)
8	Hinaben Kamleshbhai Patel	216150	0.96	0	216150	0.72	0	(0.24)
9	Dipakbhai Danjibhai Patel	216000	0.96	0	216000	0.72	0	(0.24)
10	Kamleshbhai Bhagubhai Patel(HUF)	211400	0.94	0	211400	0.70	0	(0.24)
11	Jivabhai Jethabhai Patel (HUF)	149600	0.66	0	149600	0.50	0	(0.16)
12	Sureshbhai Jivabhai Patel (HUF)	148036	0.66	0	148036	0.49	0	(0.17)
13	Bhagubhai Punjabhai Patel	133700	0.59	0	133700	0.44	0	(0.15)
14	Bhagubhai Punjabhai Patel (HUF)	127700	0.57	0	127700	0.42	0	(0.15)
15	Bhikhabhai Kodarbhai Patel	126710	0.56	0	126710	0.42	0	(0.14)
16	Danjibhai Purshottambhai Patel	123700	0.55	0	123700	0.41	0	(0.14)
17	Bhanuben Mukeshbhai Patel	121600	0.54	0	121600	0.40	0	(0.14)
18	Chhayaben Sureshbhai Patel	108430	0.48	0	108430	0.36	0	(0.12)
19	Mukeshbhai Jivabhai Patel (HUF)	91210	0.40	0	91210	0.30	0	(0.10)
20	Hiraben Bhogibhai Patel	72760	0.32	0	72760	0.24	0	(0.08)
21	Dimpalben Bhogibhai Patel	68340	0.30	0	68340	0.23	0	(0.07)
22	Gitaben Rameshbhai Patel	43906	0.19	0	43906	0.15	0	(0.04)
23	Vinaben H Patel	35850	0.16	0	35850	0.12	0	(0.04)
24	Bhogibhai B. Patel (HUF)	34700	0.15	0	34700	0.12	0	(0.03)
25	Ushaben D. Patel	24731	0.11	0	24731	0.08	0	(0.03)
26	Chandrikaben Danjibhai Patel	12365	0.05	0	12365	0.04	0	(0.01)
27	Dipakbhai D Patel	11300	0.05	0	11300	0.04	0	(0.01)
TOTAL		**8472931**	**37.52**	**0**	**9958331**	**33.10**	**0**	**(4.42)**

* Change in % Shareholding is not due to purchase/ sale of Shares by the Shareholders but due to increase in paid up Share Capital of the Company from 22582541 to 30087446 consequent upon allotment of 7504905 Equity Shares on 25.07.2016 to the Shareholders of Artistique Ceramics Private Limited pursuant to approval of Scheme of Amalgamation of Artistique Ceramics Private Limited with your Company vide order of Hon'ble High Court of Gujarat dated 16th June, 2016.

** During the year, Kamleshbhai Bhagubhai Patel has purchased 742700 Shares of the Company and Mukeshbhai Jivabhai Patel has purchased 742700 Shares of the Company.

*** Shares of Late Punjabhai Motibhai Patel have been transferred to Kamleshbhai Bhagubhai Patel by inheritance.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	8472931	37.52	8472608	37.52
Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (- Refer Notes)	1485400	4.94	9958331	33.10
At the end of the year	9958331	33.10	9958331	33.10

- During the year, Kamleshbhai Bhagubhai Patel has purchased 240000 shares on 13.10.2016, 246700 shares on 14.10.2016, 106000 shares on 22.03.2017 and 150000 shares on 27.03.2017 of the Company and Mukeshbhai Jivabhai Patel has purchased 240000 shares on 13.10.2016, 246700 shares on 14.10.2016, 106000 shares on 22.03.2017 and 150000 shares on 27.03.2017 of the Company.

- 255980 shares of Punjabhai Motibhai Patel have been transferred to Kamleshbhai Bhagubhai Patel by inheritance on 21.04.2016.

- Marginal change in percentage is due to issue of 7504905 equity shares pursuant to amalgamation.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl No.	For each of the top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Vignaharta Ceramics LLP	–	–	3800304	12.63
2	Asian Overseas LLP	778564	3.45	1648715	5.48
3	Dipak Narayanbhai Patel	51900	0.23	641345	2.13
4	Kajaria Portfolio Private Limited	–	–	601328	2.00
5	Jayantibhai Madhabhai Patel	510739	2.26	510739	1.70
6	Vinodbhai Lalabhai Patel	505889	2.24	505889	1.68
7	Ramanbhai N Patel	106705	0.47	399886	1.33
8	Mukul Agrawal	–	–	350000	1.16
9	Dolly Khanna	277856	1.23	317702	1.06
10	GMO Emerging Domestic Opportunities Fund, A Series of GMO Trust	–	–	457499	1.52
TOTAL		**2231653**	**9.88**	**9233407**	**30.69**

(v) Shareholding of Directors and Key Managerial Personnel :

Sl No.	For each of the Directors and KMP	Shareholding at the beginning of the year		@ Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr. Kamleshbhai B. Patel *	2438768	10.80	3437448	11.42
2	Mr. Mukeshbhai J. Patel *	1715619	7.60	2458319	8.17
3	Mr. Sureshbhai J. Patel	1122793	4.97	1122793	3.73
4	Mr. Bhaveshbhai V. Patel #	182340	0.80	182342	0.61
5	Mr. Kanubhai Patel	153299	0.67	153299	0.51
6	Mr. Bhogibhai Patel	242299	1.07	242299	0.81
7	Mr. Hemendrakumar C. Shah	0	0	0	0
8	Dr. Satish Y. Deodhar	0	0	0	0
9	Mr. Ajendrabhai Patel	0	0	0	0
10	Mr. Amrutbhai Patel	0	0	0	0
11	Mr. Premjibhai Chaudhari	0	0	0	0
12	Dr. Indira Nityanandam	0	0	0	0
13	Mr. Kalidas J. Patel	93310	0.41	93310	0.31
14	Mrs. Renuka A. Upadhyay	0	0	0	0

@ Marginal change in percentage is due to issue of 7504905 equity shares pursuant to amalgamation.

* During the year, Kamleshbhai Bhagubhai Patel has purchased 742700 Shares of the Company and receives 255980 Shares from Punjabhai Motibhai Patel by inheritance and Mukeshbhai Jivabhai Patel has purchased 742700 Shares of the Company.

Mr. Bhaveshbhai V. Patel Director of the Company has been allotted 2 (two) shares pursuant to scheme of amalgamation.

(vi) Indebtedness :

Indebtedness of the Company including interest outstanding / accrued but not due for payment

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	16,554.58	978.72	-	17,533.30
ii) Interest due but not paid	31.51	-	-	31.51
iii) Interest accrued but not due	0.56	-	-	0.56
Total (i+ii+iii)	**16,586.66**	**978.72**	**-**	**17,565.37**
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	1,872.87	262.45	-	2,135.31
Net Change	**-1,872.87**	**-262.45**	**-**	**-2,135.31**
Indebtedness at the end of the financial year				
i) Principal Amount	14,623.89	716.27	-	15,340.17
ii) Interest due but not paid	89.30	-	-	89.30
iii) Interest accrued but not due	0.59	-	-	0.59
Total (i+ii+iii)	**14,713.79**	**716.27**	**-**	**15,430.06**

(vii) Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

Sl No.	Particulars of Remuneration	Name of MD/WTD/Manager						Total Amount
		Kamleshbhai B. Patel	Mukeshbhai J. Patel	Sureshbhai J. Patel	Bhogibhai Patel	Kanubhai Patel	Bhaveshbhai Patel	
1.	Gross Salary							
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2664000	2100000	2100000	1200000	1500000	1800000	11364000
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	–	–	–	–	–	–	–
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	–	–	–	–	–	–	–
2.	Stock Option	–	–	–	–	–	–	–
3.	Sweat Equity	–	–	–	–	–	–	–
4.	Commission	–	–	–	–	–	–	–
	- as % of profit	–	–	–	–	–	–	–
	- others, specify.....	–	–	–	–	–	–	–
5.	Others, please specify	–	–	–	–	–	–	–
	Total	**2664000**	**2100000**	**2100000**	**1200000**	**1500000**	**1800000**	**11364000**
	Overall Ceiling as per the Companies Act, 2013	₹ 367.54 Lacs (being 10% of the Profit of the Company calculated as per Section 198 of the Companies Act, 2013						

B. Remuneration to other directors:

Sl No.	Particulars of Remuneration	Name of Independent and Non-Executive Directors								Total Amount
		@ Mr. Maganlal Patel	@ Mr. Shankarlal Patel	Mr. Ajendrabhai Patel	Mr. Amrutbhai Patel	Mr. Premjibhai Chaudhari	Dr. Indira Nityanandam	*Dr. Satish Y. Deodhar	*Mr. Hemendrakumar C. Shah	
1	**Independent Directors** • Fee for attending board committee meetings • Commission • Others, please specify	44447	44447	44447	22224	33335	33336	–	–	222236
2	**Other Non-Executive Directors** • Fee for attending board committee meetings • Commission • Others, please specify	–	–	–	–	–	–	–	–	–
3	**Total**	**44447**	**44447**	**44447**	**22224**	**33335**	**33336**	**–**	**–**	**222236**
4	**Total Managerial Remuneration**	₹ 11364000								
5	**Overall Ceiling as per the Companies Act, 2013 (11% of the Net Profit excluding Sitting Fees)**	₹ 404.30								

@ Mr. Maganlal Prajapati and Mr. Shankerlal Patel have resigned on 25th January, 2017

* Dr. Satish Deodhar and Mr. Hemendrakumar C. Shah are appointed as an Additional Independent Directors w.e.f. 20th March, 2017.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

(Amount in ₹)

Sl No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO	CS	
1.	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	859200	1400000	2259200
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	–	–	–
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	–	–	–
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission	–	–	–
	- as % of profit	–	–	–
	- others, specify.....	–	–	–
5.	Others, please specify	–	–	–
	Total	**859200**	**1400000**	**2259200**

V. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)
A. COMPANY				
Penalty			NIL	
Punishment				
Compounding				
B. DIRECTORS				
Penalty			NIL	
Punishment				
Compounding				
C. OTHER OFFICERS IN DEFAULT				
Penalty			NIL	
Punishment				
Compounding				

For and on behalf of the Board

KAMLESHBHAI B. PATEL
Chairman and Managing Director
DIN: 00229700

Place: Ahmedabad
Date: 10.08.2017

Annexure - G

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

Power:

a) Efforts made for conservation of energy:-

(i) By controlling process parameters and upgradations of control system.

(ii) Replacement of high capacity motor.

(iii) Replacement of conventional lamps with LED lights is being done in phases for plant and colony lighting across plant.

(iv) Replacing old pumps & motors by high efficiency Pumps & low power consumption motors.

(v) Use of energy efficient motors to reduce electrical power consumption.

b) Additional investment and proposal, if any:

This is continuous process and no major investments are planned.

(c) Impact of above measures on consumption of energy:

There is substantial reduction in energy consumption/costs.

d) Total energy consumption and energy consumption per unit of production in respect of specified industries:

The Company is not covered under the list of specified industries.

B. TECHNOLOGY ABSORPTION

a. Research and Development :

The Company is fully equipped and further updating with the latest technology for producing its quality products. Company's has continuous ongoing R & D Program which during the period under review introduced larger format and various designs of tiles. In addition to development of new products, the R & D Department also instituted a comprehensive quality control of all units to ensure that all the Company's products meet or exceed international standards.

b. Benefits derived as a result of R & D:

The Company is continuously updating itself to standardize and install required machinery when manufacturing. Improved quality also gives the Company a better image in the market therefore improving the marketability of its products.

c. Technology absorption and Innovation:

The Company has been putting emphasis to train its technical personnel by way of providing training to them for the latest technology available. It has resulted in a better quality of product, which has been brought to the International Standard, besides improving the productivity and reducing the wastages.

C. FOREIGN EXCHANGE EARNING AND OUTGO

(₹ in Lacs)

	2016-17	2015-16
Earning: Export	6599.62	4752.16
Outgo: Imports	6313.34	6542.95

For and on behalf of the Board

KAMLESHBHAI B. PATEL
Chairman and Managing Director
DIN: 00229700

Place: Ahmedabad
Date: 10.08.2017

Management Discussion and Analysis

GLOBAL ECONOMIC OVERVIEW

The pace of global economic activity was mixed in 2016 as a number of crosswinds affected re-acceleration. The year was marked by the United Kingdom's decision to exit the European Union and the election of Donald Trump as the American President. Within advanced economies, comprising the US, Europe and Japan, a protracted monetary policy support and return to fiscal neutrality underpinned a generally-accelerating output. In countries outside the advanced economies, the sources of slower growth comprised commodity price declines, overhangs from erstwhile credit growth and political turmoil.

Global growth was 3.2% in 2016, the forecast revised upwards by 30 bps for 2017 compared to the April 2016 projections. Long-term prospects of emerging market economies improved following a decline in interest rates in advanced economies and firming commodity prices.

Asia and India demonstrated robust growth. The currencies of advanced commodity exporters have also strengthened, reflecting the firming of commodity prices; however, several emerging market currencies depreciated substantially.

Outlook

The global economy entered its sixth year of stagnation with growth estimates for 2017 continuing to trend the historical path. A projected stabilization in energy and commodity prices may strengthen the case for resource-rich economies in 2017.

World growth is expected to rise from 3.2% in 2016 to 3.5% in 2017 and 3.6% in 2018, driven by stronger economic activity, expectations of robust global demand, reduced deflationary pressures and optimistic financial markets. *(Source: IMF)*.

INDIAN ECONOMIC OVERVIEW

The Indian economy slowed in FY2016-17 to 7.1% from 8% in FY2015-16, largely owing to the currency demonetization in the third quarter of the financial year under review. However, the general undercurrent continued to be optimistic; India's consumer confidence index stood at 136 in Q4 2016, the highest in the world.

India retained its position as the fastest growing major economy in the world catalyzed by strong consumption growth and enhanced government spending. Inflation declined on account of a decline in food inflation. This facilitated a 50 bps rate cut by the RBI in FY2016-17. A declining vulnerability on the external and fiscal front and fiscal consolidation by the government enhanced investor confidence that translated into record net foreign exchange inflows.

The year under review was also marked by the government's demonetization initiative and the preparatory work related to the introduction of the Goods and Services Tax (GST). While the first initiative focused on eliminating the parallel economy, the second is expected to transform the country's taxation structure.

Outlook

The near-term growth outlook for India seems bright. Nonetheless, the growth forecast for the next fiscal has been trimmed by 40 bps. This has been primarily due to the temporary negative consumption shock induced by cash shortages and payment disruptions associated with the currency note withdrawal and exchange initiative. Subsequently, India's GVA (gross value-added) growth is likely to remain at 6.6% as economic activity could take time to normalise. The imminent implementation of the Goods and Services Tax is expected to catalyse interstate trade through enhanced investments, reducing supply chain-related issues, improving economies-of-scale and moderating overheads (Sources: IMF, ICRA).

GOVERNMENT INITIATIVES

Smart Cities: The Indian government launched the 'Smart Cities' initiative in collaboration with States and Union Territories. The mission intends to drive economic growth and improve living standards. The central focus of the Smart Cities mission will drive city improvement (retrofitting) and city extension (greenfield development). This initiative will cover 100 cities with the Union Government allocating ₹ 48,000 crore over five years.

GROWTH

	2016	2017(E)	2018 (P)
Global economy	3.2%	3.5%	3.6%
Advanced economies	1.7%	2.0%	1.9%
Emerging market and developing economies	4.3%	4.6%	4.8%

(Source: IMF)

Make in India: The 'Make in India' initiative was launched with the objective of making India a global manufacturing hub. The initiative is expected to boost entrepreneurship in manufacturing, services and infrastructure sectors. The Indian Government set up 'Invest India' as a national investment promotion and facilitation agency under the initiative.

Ease of Doing Business: The Government has sought to amend several laws towards easing the process of starting and running a business online application for industrial licenses, restriction of documents required for export and import to three, removal of requirements for minimum paid-up capital for companies, granting security clearances on an industrial license within 12 days and establishment of a facilitation cell under Invest India, among others.

GLOBAL OVERVIEW OF TILE INDUSTRY

The increase in construction and urbanization are driving the global off-take of tiles. The global market for ceramic tiles was valued over US$ 76.80 billion in 2015 and is poised to reach US$ 178.16 billion by 2024, according to a report by Global Market Insights, Inc. China's construction industry was the largest in the world, with construction expenditure recorded over US$ 1.7 trillion. The Asia Pacific region tile sector is likely to grow its share in the region. Estimates suggest that the ceramic tiles market could record annual growth of 9.8% over the period 2016 to 2024. Infrastructure spending in economies like India and Indonesia could drive the ceramic tiles market in the region coupled with a growing off-take of slabs and marble floors.

The outlook of the global tile market appears favourable, forecast to grow at a CAGR of 6.7% by value from 2016 to 2021. This growth is likely to be marked by construction, renovation, need for aesthetics, durability, moisture, fire, and scratch-resistance. Emerging trends comprise increasing demand for vitrified tiles, 3D tiles, designer tiles, acceptance of eco-friendly tiles and nano-technology. *Sources: http://www.prnewswire.com and www.gminsights.wordpress.com*

INDIAN TILE INDUSTRY

India, the third largest consumer of tiles, accounts for 6.25% of global ceramic tile consumption. India's tile production at 750 million square metres is only outdone by China and Brazil. While China ranks first in the world at 5,700 million square metres, Brazil stands second with production estimated at 871 million square metres, according to the latest figures available with Indian Council of Ceramic Tiles and Sanitaryware. The Indian ceramic tiles and sanitary ware industry is estimated to be worth almost ₹ 250-255 billion for FY2015-16 of which ceramic tiles account for 89% (or ₹ 223-227 billion) share. Morbi in Gujarat is India´s largest ceramic tile-making cluster with over 600 units manufacturing glazed tiles, sanitaryware and vitrified tiles. Approximately 70% of India´s total production of tiles is carried out by units located in this region. Morbi is also a large exporter of ceramic tiles to Africa and the GCC.

According to industry estimates, the projected market size of Indian Ceramic Tile and Sanitaryware for FY2015-16 was:

Product	Value	Size
Glazed vitrified tiles (GVT)	₹ 31 - 34 billion	45-50 MSM
Polished vitrified tiles (PVT)	₹ 100 billion	285-295 MSM
Ceramic tiles	₹ 100 - 110 billion	515-525 MSM

The principal product segments in India's tile sector comprise wall and floor tiles, as well as the vitrified and industrial tile segments. The market shares (in value terms) are 20%, 23%, 50%, and 7% respectively for wall, floor, vitrified, and industrial tiles. The tiles are available in a variety of designs, textures and surface effects - from rustic to contemporary marble designs in super glossy mirror finishes. The country employs traditional as well as modern (latest single fast-firing and double-charged) methods in manufacture. The industry enjoys an abundance of raw materials, technical skills and infrastructure facilities despite being capital-intensive. A total of over 550,000 individuals are employed by the sector (50,000 direct).

The consistent growth of the organised sector during the last four years has been backed by widening of product portfolio and geographical reach. The sector is fragmented with the presence of numerous family-owned entities, apart from large integrated manufacturers, leading to intense competition. The unorganised sector accounts for nearly 60% of the country's tile output, represented by more than 500 family-owned entities.

The Government's infrastructure push —100 Smart Cities, Swachh Bharat Abhiyaan and Housing For All By 2022—along with real estate reforms could catalyse sectoral growth. Besides, growing off-take is being reported by the country's retail, IT and BPO sectors. Organised players are expected to wrest share from unorganised counterparts following growing product innovation, premiumization and brand spending, catalyzing margins. Besides, the asset-light JV model, declining gas prices and GST implementation (additional GDP growth potential of 1.5-2.0%) are probable sectoral triggers. On the basis of this, the domestic tiles industry could embark on sustainable growth: volume and value CAGR of 7.5% and 11.5%, respectively over FY2016-18.

India's low per capita tiles consumption at 0.59 square metres versus the global average of 1.4 square metres indicates sustainable growth potential. Besides, only 4% of India's rural population lives in tiled homes; 63% reside in homes with mud

flooring. The country lags Brazil, China and Vietnam, who enjoy a per capita consumption of 4.12, 3.33 and 2.80 square metres respectively.

India's organised sector comprises around 14 large players who account for nearly 40% of the total industry. Five major companies (H&R Johnson, Kajaria Ceramics, Nitco Tiles, Somany Ceramics and Asian Granito) account for over 80% of the organised market. These companies also have their manufacturing units in Gujarat; some have even outsourced product manufacture to players in Morbi.

INDUSTRY TRENDS

Finishes: Ceramic tiles with marble, stone and wood finishes are most preferred in India. The high resolution printing technology has enhanced the magic of natural appearance. There is also a diminishing demand for shiny materials and increased preference for matt and rustic finishes. Large format tiles like 120x80 cm and 120x60 cm are gaining ground due to fewer joints and large spans that enhance flooring seamlessness.

Technology: High Definition digital printing technology is the latest introduction in the Indian tile market, with the possibility to create a diverse variety of designs and shades on any tile surface. While conventional screen and rotary printing allow only 60 dpi and 120 dpi resolution printing on tiles, HD digital technology enables 300 dpi resolutions resulting in finer and natural textual patterns. The technology also ensures fine multi-layer printing to a nanometre grade on flat, curved and textured tile surfaces.

Large Size: Small and medium-sized tiles are passé; large tiles are the emerging trend in India's residential sector, which can be used across building elevations and bathroom walls to drawing room floors. A new trend in wall tiles is that of natural stone imitation tiles with designs repeated once every 15 tiles or so.

INDUSTRY GROWTH DRIVERS

Construction Growth: Increasing construction spending is the key factor driving global tiles offtake. Robust growth in flooring industry, which is an essential portion of residential and commercial structure including airports, railway stations and hospitals, could enhance tile offtake.

National Projects: Tile companies expect to capitalise on Swachh Bharat Abhiyaan, covering an estimated 1.04 crore households and around 11.1 crore toilets by 2019. A total of ₹ 16,248 crore was allocated for Swachh Bharat Abhiyaan in Union Budget 2017. A number of ambitious programmes launched by the Union Government such as the Smart Cities Mission, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Housing for All by 2022 could catalyse tile demand.

Anti-dumping Duty: After analysing the industry impact and to encourage domestic manufacturers, the Union Government has imposed an anti-dumping duty of US $1.87 per square metres on all vitrified tiles imported from China in April 2017 for a period of five years which is expected to provide a level playing field to tile players.

Goods and Services Tax (GST): Implementation of GST could be a welcome change as manufacturers paid approximately 29% as indirect tax, including excise duty, central sales tax (CST) and VAT. The new tax regime could create a seamless national market for organised players, removing inter-state barriers and strengthening the supply chain. GST can also accelerate the shift towards the organised sector, moderating tax rates and strengthening competitiveness of organised players by eliminating/reducing tax arbitrage (including tax evasion) and advantages enjoyed by the unorganised players. This is expected to accelerate the share of the organised sector from 40% in FY2007-08 to an estimated 54% by FY2017-18 following players' innovation, premiumization and higher ad spending.

Infrastructure Growth: India plans to increase the number of airports to 250 by 2030; the Government plans to revive 50 under- or un-served airports in FY2017-18. India has over 25,000 premium hotel rooms under construction to be launched over the next four years (taking the premium hotel room supply in the country to over one lakh rooms by FY2019-20 in 12 key Indian cities). The implementation of RERA (Real Estate Regulation & Development) Act is likely to bring in transparency in the country's real estate sector.

Income Growth: Of India's five household income categories (elite, affluent, aspirers, next billion, and strugglers), the top two income classes are the fastest growing. From 2016 through 2025, the share of elite and affluent households could increase from 8% to 16% of the total while the share of strugglers could drop from 31% to 18%.

Increase in Population: Tile demand is a function of housing and population growth. Between 2011 and 2021, India's population is projected to increase approximately 11% to 1.4 billion, which will see housing demand touch 285 million. During 2001 to 2011, the population grew nearly 18% to about 1.2 billion, and comprised about 246 million households.

Rapid Urbanisation: An estimated 140 million people could move to Indian cities by 2020 and 700 million could urbanise by 2050. Besides, the number of cities with population above one million could double with increase in the number of mega-cities (above five million) to 10 by 2021 and 36 by 2051. In addition, the ambitious ₹ 48,000 crore Smart City project is expected to ease congestion in existing urban centres and catalyse urbanisation. (Source: www.livemint.com, CII Booz IU report)

Increase in Income Levels: India's per capita disposable income increased from ₹ 73,476 in Fiscal 2012 to ₹ 107,817 as of Fiscal 2016 (base year Fiscal 2012, at current prices, inclusive of other current transfers (net) from rest of the world). Increasing disposable income increases demand for housing units.

Increase in Nuclear Families: The trend of nuclearization, formation of multiple single families out of one large joint family, is expected to increase in India as individuals give more importance to increased mobility of labour in search of better employment opportunities. Changing social/cultural attitudes too contributes to increased nuclearization, leading to a higher demand for housing and tiles.

Changing Consumer Aspirations: With increasing double income, nuclear families, the levels of discretionary spending have risen, contributing to the demand for building materials like stone and tiles.

Increasing Brand Awareness: Apart from design-oriented initiatives, most branded players significantly ramped their marketing and advertising to enhance awareness. Setting up of 'experience stores' or 'design studios', signing celebrities or eminent personalities as brand ambassadors, increased spend on print, outdoor and television advertisements, resulted in greater awareness about branded building materials.

Changing Trends in Renovations and Re-modelling: Home renovation or remodelling decisions were earlier linked to major life events such as marriage, shifting residences or birth. Today, the mindset has undergone a change with regards to frequency of renovations/remodelling. Houses have graduated from being functional living spaces to a reflection of one's personality. The willingness to spend significant sums of money on one's home has played a crucial role in the growing demand for building material segments.

Emerging Workforce: India has the second largest workforce in the world with 860 million 15–64 year olds which constitutes approximately 66% of the total population. More than 50% of the population comprises the youth, either working or in academics. India has seen above 16% annual growth rate in services sector between 2006 and 2014 driven by export of IT and BPO services. This has a huge potential for office spaces to grow driving the demand for tiles.

OUTLOOK

The overall Indian tiles market is expected to witness compounded annual growth rate of more than 10-12% for the next three to five years. However, during the same period demand for vitrified tiles is expected to grow at the compounded annual growth rate in high double-digits due to increasing institutional sales.

The ceramic tiles & sanitaryware industry is estimated to have expanded at a CAGR of more than 8% in volume terms over 2012-13 to 2015-16. The growth was largely driven by quick urbanisation and residential and commercial construction activity in Metros and Tier I cities. Residential real estate continues to be the key growth driver, contributing 78-80% of revenues. CRISIL believes the industry's projected expansion at 10.5-11.0% CAGR over 2015-16 to 2020-21 would be driven by 8-9% volume growth and marginal improvement in realisations.

SWOT ANALYSIS OF INDIA'S TILE INDUSTRY

Strengths

- Use of global manufacturing technologies
- Increased responsiveness to branding and promotion
- Increased preference for premium aesthetic products
- Production cost around 25-30% lower than U.S or Europe
- Indigenous availability of raw materials
- Large domestic market

Weaknesses

- Erratic power supply; high fuel cost
- Few large players; number of small and medium-sized units encountering poor economies of scale.
- Non-availability of standard and uniform quality raw materials; no availability of materials like Ukraine clay (imported).
- Low brand building among mid-sized players affecting export growth

Opportunities

- Introduction of vitrified and porcelain tiles ('tiles of the future'), accounting for 10-12% for all organised tile off-take in India
- A spate of recent expansions enhances industry appeal
- Rising disposable incomes of the growing middle-class
- 40 million units of housing shortage
- Government initiatives of 'Housing for all' coupled with IT/ITES and retail sector growth.

Threats

- High unorganized sector of around ~ 60% of the total tile market in India.
- Low cost tile import from China
- Volatile fuel costs
- Volatile foreign currency rates

RISK IDENTIFICATION AND MITIGATION

1 **Competition Risk:** Increased competition from industry peers can affect profitability

Mitigation: The Company offers products across sizes, finishes and textures to enhance appeal following prudent investments in digital printing technologies.

2 **Product Specific Risk:** Inability to manufacture new and pioneering products could stagger revenues.

Mitigation: The Company keeps adding new products to its portfolio. For instance, the Company introduced some of the largest sizes in India's tile industry; its multi-colour quartz products with the highest silica content addressed specialized customer preferences.

3 **Foreign Exchange Risk:** Fluctuations in foreign exchange values could affect profitability.

Mitigation: The risk arising out of fluctuations in foreign exchange rates could impact profit earning capability. The risk is mitigated by growing exports and value-addition (potentially neutralizing forex movements).

4 **Brand Recognition Risk:** Weak brand recall could result in customer loss.

Mitigation: The Company has engaged a pan-Indian advertising agency to revamp its brand marketing; it intends to increase brand spending to enhance visibility and recall. Brand spending was around 1.4% of the gross revenue in 2016-17, which is likely to increase to around 2% in the FY2018.

5 **Substitution Risk:** Increased use of substitutes by customers could affect sales

Mitigation: The wide product base, use of cutting-edge technology and addressing aspirational preferences have helped the Company mitigate the risk associated with product substitution.

6 **Operational Risk:** Inefficiency in operations can reduce competitiveness

Mitigation: The Company's internal audit team supervises internal processes and makes appropriate recommendations. The control system ensures that the business complies with necessary standards.

7 **Distribution Risk:** Inability to access markets with growing demand can moderate market share.

Mitigation: The Company expanded the distribution network, increasing dealers and sub-dealers by 800 in 2016-17. The Company had 120 exclusive showrooms in tier I, tier II and major metros cities through which the retail sales were executed (three-year relationship).

8 **Geographical Risk:** Generating sales from one or few geographic regions could affect the Company in the event of that region's consumer sentiment being affected.

Mitigation: The Company enjoys pan-India and global presence in 50+ countries. The Company intends to enhance revenues from North and East India, correcting the regional skew.

9 **Brand Recognition Risk:** Weak brand recall could result in customer loss.

Mitigation: The Company has engaged a pan-Indian advertising agency to revamp its brand marketing; it intends to increase brand spending to enhance visibility and recall. Brand spending was around 1.4% of the gross revenue in 2016-17, which is likely to increase to around 2% in the FY2018.

FINANCIAL OVERVIEW

Profit and Loss Account Analysis

Consolidated Gross Revenues

Gross revenues increased by 5.74% to ₹1147.90 crore in 2016-17, compared with ₹1085.6 crore reported in 2015-16.

Consolidated EBIDTA Profit

Operating profit (EBIDTA) increased by 38.6% to ₹ 127.12 crore in during 2016-17 from ₹ 90.8 crore in 2015-16, largely because of decline in input cost, change in product mix (towards high value product) and also operating efficiency, which helped the Company improve margins by around 270 basis points to 11.9% (on net revenue).

Consolidated Finance Costs

Finance cost for the year under review increased by 35.6% from ₹ 29.1 crore to ₹ 39.5 crore because of major capex in double charged at the Crystal plant and increase in working capital requirements

Consolidated Net Profit Post Minority Interest

Consolidated net profit for the year under review stood at ₹ 39.1 crore, a 61.24% increase over the previous financial year.

Balance Sheet analysis

Consolidated Net Worth

The Company's net worth stood at ₹ 401.0 crore as on 31st March, 2017, increasing by 10.4%, compared with ₹ 363.2 crore as on 31st March, 2016. The net worth comprised paid-up equity share capital amounting to ₹ 30.1 crore as on 31st March, 2017 (3.0 crore equity shares of ₹ 10 each (fully paid up) and minority interest of ₹ 22.1 crore). The Company's reserves and surplus stood at ₹ 371.0 crore.

Consolidated Loan Profile

The total loan funds stood at ₹ 350.1 crore out of which long-term borrowings stood at ₹ 140.7 crore and short-term borrowings stood at ₹ 209.4 crore.

The Company's total gross assets increased to ₹ 644.2 crore in 2016-17 from ₹ 602.7 crore in 2015-16, representing an increase of 7%. Capital work-in-progress (WIP) for the year stood at ₹ 1.1 crore in 2016-17, compared with ₹ 5.9 crore in 2015-16.

INTERNAL CONTROL SYSTEM

The Company has a separate internal audit department in place that monitors and recommends necessary changes to comply with the business standards. The audit team supervises all internal processes and the higher management approves all the required changes. The internal control system of the organization functions effectively with most of the branches electronically being connected with the Head Office. The internal controls are constantly upgraded based on internal audit recommendations. Periodical monitoring and recommendations are carried out to ensure the business compliances with adequate rules and regulations that govern the Company.

HUMAN RESOURCE

The Company believes that human resources comprise the core essence of the organisation. The Company initiated different employee engagement programs to strengthen its bond with employees. The employees share the vision of the Company and works as a team; the uplifted sprint results in achievements for the Company. The Company connects with employees at the grassroot level that promotes out performance. People help the Company accomplish goals and remain competitive. The Company's employee strength stood at around 6000 (including contract workers) as on 31st March, 2017.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis report describing the Company's objectives, projections, estimates and expectations may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed and implied. Important factors that could make a difference to the Company's operations include among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax laws and other statutes and incidental factors.

Report on Corporate Governance

AGL PHILOSOPHY ON CODE OF GOVERNANCE

At Asian Granito India Limited, the Corporate Governance is about creating the value of all stakeholders, accountability and fairness towards stakeholders. The Company also believes that good governance is a systemic process which enables the Company to operate in a manner that meets with the ethical, legal and business expectations and at the same time fulfils its social responsibilities. Good Corporate Governance is intrinsic to the management of the affairs of the Company. The Company's philosophy on Corporate Governance is to achieve business excellence, enhance long term values for its stakeholders, maintain excellent relations across all levels and proper compliance with all applicable legal and regulatory requirements. Integrity, transparency, accountability and compliance with laws which are columns of good governance have always been the hallmark of Company. The Company is in full compliance with the requirements of Corporate Governance under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and consequently Company has entered into new Listing Agreements with the Stock Exchanges and in this regard, submits a report on the matters mentioned in the said clause and also the practices followed by the Company during the year 2016-17 as stated below:

1. BOARD OF DIRECTORS

The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and Section 149 of the Companies Act, 2013 (Act).

The Company firmly believes that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance to bring objectivity and transparency in the Management. The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has vested with the requisite powers, authorities and duties.

In terms of the requirement of the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations'), the Nomination and Remuneration Committee has been designated to evaluate the need for change in the composition and size of the Board of the Company and to select members to fill Board vacancies and nominating candidates for election by the shareholders at the Annual General Meeting.

The Company is managed by the Board of Directors in coordination with the Senior Management team. As on 31st March 2017, the Company has twelve (12) Directors on its Board out of which six (6) are Executive Directors and six (6) are Independent Directors including one Woman Director. The Board periodically evaluates the need for change in its composition and size.

Composition/ Category of Directors/ Attendance at Meetings/Directorships and Committee Memberships in other Companies as on 31st March, 2017:

Sr. No.	Name of Director & Designation	Category	Inter-se Relationships between Directors	Attendance of Meetings during 2016-17		Last Annual General Meeting Attended	Other Directorships/Board Committees (Numbers)		
				Board Meeting held during his/her tenure	Board Meeting attended during his/her tenure		*Directorships in Other Companies	** Committee Membership	** Committee Chairmanship
1	Mr. Kamleshbhai B. Patel, Chairman & Managing Director	Promoter, Non – Independent and Executive	-	8	8	Yes	1	0	0
2	Mr. Mukeshbhai J. Patel, Managing Director	Promoter, Non-Independent and Executive	Brother of Sureshbhai J. Patel	8	8	Yes	2	0	0

Sr. No.	Name of Director & Designation	Category	Inter-se Relationships between Directors	Attendance of Meetings during 2016-17		Last Annual General Meeting Attended	Other Directorships/Board Committees (Numbers)		
				Board Meeting held during his/her tenure	Board Meeting attended during his/her tenure		*Directorships in Other Companies	** Committee Membership	** Committee Chairmanship
3	Mr. Sureshbhai J. Patel Executive Director	Non- Independent	Brother of Mukeshbhai Patel	8	8	Yes	0	0	0
4	Mr. Bhaveshbhai V. Patel, Executive Director	Non-Independent	–	8	8	Yes	0	0	0
5	Mr. Kanubhai B. Patel Executive Director	Non-Independent	–	8	8	Yes	0	0	0
6	Mr. Bhogibhai B. Patel, Executive Director	Non-Independent	–	8	8	Yes	0	0	0
7	Mr. Maganlal Prajapati Independent Director @	Independent and Non-Executive	–	8	6	Yes	NA	NA	NA
8	Mr. Shankarlal Patel Independent Director @	Independent and Non-Executive	–	8	5	No	NA	NA	NA
9	Mr. Hemendrakumar C. Shah, Independent Director $	Independent and Non-Executive	–	1	1	NA	1	0	0
10	Dr. Satish Y. Deodhar, Independent Director $	Independent and Non-Executive	–	1	1	NA	0	0	0
11	Mr. Amrutbhai Patel, Independent Director	Independent and Non-Executive	–	8	4	No	0	0	0
12	Mr. Ajendrabhai Patel, Independent Director	Independent and Non-Executive	–	8	7	No	0	0	0
13	Dr. Indira Nityanandam, Independent Director	Independent and Non-Executive	–	8	4	No	0	0	0
14	Mr. P. R. Chaudhari, Independent Director	Independent and Non-Executive	–	8	5	No	1	0	0

* Excluded the directorship held in private limited companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013 as per Regulation 26 of the Listing Regulations.

** Included only the Membership / Chairmanship in Audit Committee and Stakeholders Relationship Committee in all Public Limited Companies as per Regulation 26 of the SEBI (LODR) Regulations 2015.

@ Ceased to be Director of the Company w.e.f 25.01.2017.

$ Appointed as Additional Independent and Non Executive Director of the Company in the Board Meeting dated 20.03.2017 subject to approval of members in the ensuing Annual General Meeting.

As mandated by the SEBI (LODR) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"), none of the directors of the Company are members of more than ten Board level committees nor are the Chairman of more than five Board level committees in other companies in which they are directors.

Number of shares held by Independent Directors as on 31st March, 2017

None of the Independent Directors hold any shares of the Company.

Board Meetings

The Board meets at least once in every quarter to discuss and decide on inter alia business strategies/ policies and review the financial performance of the Company and its subsidiaries and other items on agenda. Additional meetings are held from time to time as and when necessary.

The notice of each Board Meeting is given in writing to each Director of the Company. The agenda along with the relevant notes and other material information are sent to each Director in advance and in exceptional cases tabled at the meeting.

Also, the Board Meetings of the Company have been held with proper compliance of the provisions of Companies Act, 2013, Listing Regulations and Secretarial Standards, as applicable thereon.

During the financial year 2016-17, eight (8) Board Meetings were held, at least one in every calendar quarter and the gap between two consecutive Board Meetings did not exceed one hundred and twenty (120) days. The dates on which the Board Meetings were held, are as follows:

21st May, 2016; 25th July, 2016; 11th August, 2016; 22nd September, 2016; 26th October, 2016; 25th January, 2017; 20th March, 2017 and 31st March, 2017.

Board Support

The Company Secretary attends the Board / Committee meetings and advises on compliances with applicable laws and governance.

2. BOARD COMMITTEES

Presently the Company has five committees i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Administrative Committee.

Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee were reconstituted in the Board Meeting held on 20.03.2017 as Mr. Maganlal Prajapati and Mr. Shankarlal Patel, Independent Directors of the Company had resigned on 25.01.2017 from the Board and Mr. Hemendrakumar C. Shah and Dr. Satish Y. Deodhar has been appointed as Additional Independent and Non Executive Director of the Company w.e.f. 20.03.2017 subject to approval of members in the ensuing Annual General Meeting.

Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

i. Audit Committee

The Company has complied with the requirements of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 as regards composition of Audit Committee.

Terms of reference of Audit Committee:

The terms of reference of Audit Committee as per Provisions of Companies Act 2013 read with Listing Regulations inter alia includes the following::

1. Financial Statements

I. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

II. Discussion and review, with the management and auditors, the annual/ quarterly financial statements before submission to the Board, with particular reference to:

- Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of sub-section (2) of section 164 of the Companies Act, 2013.

- Disclosure under 'Management Discussion and Analysis of Financial Condition and Results of Operations.'
- Any changes in accounting policies and practices and reasons for the same.
- Major accounting entities involving estimates based on exercise of judgement by management.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transaction.
- Disclosure of contingent liabilities.
- Scrutinise inter corporate loans and investments.
- To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

2. **External Audit**
   i. To have timely discussions with external auditors.
   ii. To recommend the Board, the appointment, re-appointment, removal of the external auditors, fixation of audit fee and also approval for payment for any other services rendered by the external auditors.
   iii. To evaluate auditor's performance, qualification and independence.

3. **Internal Audit**
   i. To review on a regular basis the adequacy of internal audit function.
   ii. To review the appointment, removal, performance and terms of remuneration of the Chief internal Auditor.
   iii. To review the regular internal reports to management prepared by the internal audit department, as well as management's response thereto.
   iv. To review the findings of any internal investigation by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
   v. Discussion with internal auditors any significant findings and follow-up thereon.
   vi. To review internal audit reports relating to the internal control weaknesses.

4. **Cost Audit**
   i. To recommend to the Board, the appointment, re-appointment, removal of the cost auditors, fixation of the audit fee, nature and scope of cost audit and also approve rendering of any other services by the cost auditors and fees pertaining thereto. It shall ensure that the Cost Auditors are independent, have arms length relationship and are also not otherwise disqualified at the time of their appointment or during their tenure.
   ii. To review and recommended the Cost Audit Report to the Board.

5. **Internal Control**
   To review with the management, external and internal auditors, the scope of internal audit, adequacy of internal control systems and ensure adherence thereto and any other related issues.

6. **Whistle Blowing/ Vigil Mechanism**
   To review the Company's arrangements for its directors and employees to raise concerns, in confidence, about possible wrong doing in financial reporting, accounting, auditing or other related matters.

7. **Risk Management**
   i. To evaluate Risk Management System.

ii. To discuss with the management, the Company's policies with respect to risk assessment and risk management, including appropriate guidelines to govern the process, as well as the Company's major financial risk.

8. Related Party Transactions

I. To review the statement of significant related party transactions submitted by the management, including the 'significant criteria / thresholds decided by the management'.

II. The following details has been periodically placed before the Audit Committee to check the conflict of interest situation:

- A statement in summary form of transactions with related parties in the ordinary course of business.
- Details of material individual transactions with related parties which are not in the normal course of business.
- Details of material individual transactions with related parties or others, which are not on arm's length basis, together with management's justification for the same.
- Approval of all or any subsequent modification of transactions with related parties.

9. Subsidiary Company Oversight

i. To review the financial statements, in particular, the investments made by the unlisted subsidiary companies.

ii. The appointment, compensation, oversight of the auditor's work, etc. for each subsidiary company needs to be covered by the Audit Committee of the Company as well as the audit Committee of the respective subsidiaries, as per the 'Policy for approval of Services to be rendered by the Auditors'.

The Audit Committee has been reconstituted in Board Meeting dated 20th March, 2017.

The Committee held five Meetings during the financial year 2016-17 i.e. 21st May, 2016, 11th August, 2016, 22nd September, 2016, 26th October, 2016 and 25th January, 2017.

Composition of Audit Committee and attendance of each member during the meetings held in financial year 2016-17 are given below:

Name of the Committee Member	Designation	Category	No of Meetings Attended during the year 2016-17
* Mr. Hemendrakumar C. Shah	Chairman (w.e.f. 20.03.2017)	Additional Independent and Non-Executive Director	–
* Dr. Satish Deodhar	Member (w.e.f. 20.03.2017)	Additional Independent and Non-Executive Director	–
Mr. Kamleshbhai Patel	Member	Promoter, Non – Independent and Executive Director	5
** Mr. Maganlal Prajapati	Chairman (ceased to be Chairman w.e.f. 25.01.2017)	Independent and Non-Executive Director	5
*** Mr. Amrutbhai Patel	Member (ceased to be member w.e.f. 20.03.2017)	Independent and Non-Executive Director	3

** Appointed as Chairman and Member respectively of this Committee w.e.f. 20th March, 2017.*

*** Resigned on 25th January, 2017 and consequently he ceased to be a Chairman of this Committee.*

**** Ceased to be a Member on 20th March, 2017 due to reconstitution of the Committee, but continues to be a director on the Board.*

Mrs. Renuka A. Upadhyay, Company Secretary and Compliance officer acts as Secretary to this Committee.

The Chairman of the Committee has attended the last Annual General Meeting of the Company held on 23rd September, 2016.

ii. Nomination and Remuneration Committee

The Company has complied with the requirements of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 as regards composition of Nomination and Remuneration Committee.

Terms of reference of Nomination and Remuneration Committee:

The role of the Nomination and Remuneration Committee is to recommend to the Board, the remuneration package for the Managing/ Executive Directors and senior officials just one level below the Board. The committee functions as follows:

i. To formulate the criteria for determining qualifications, positive attributes and independence of a Director.

ii. To formulate criteria for evaluation of Independent Directors and the Board.

iii. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.

iv. To carry out evaluation of every Director's performance.

v. To recommend to the Board the appointment and removal of Directors and Senior Management.

vi. To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

vii. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

viii. To devise a policy on Board diversity.

ix. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

x. To perform such other functions as may be necessary or appropriate for the performance of its duties.

The Nomination and Remuneration Committee has reconstituted in Board Meeting held on dated 20th March, 2017.

The Committee held Five Meetings during the financial year 2016-17 i.e. 21st May, 2016; 11th August, 2016; 26th October, 2016; 25th January, 2017 and 20th March, 2017.

Composition of Nomination and Remuneration Committee and attendance of each Director during the meetings held in financial year 2016-17 are given below:

Name of the Committee Member	Designation	Category	No of Meetings Attended during the year
Mr. Ajendrabhai Patel *	Chairman (w.e.f. 20.03.2017)	Independent and Non-Executive Director	5
Mr. Amrutbhai Patel **	Member (w.e.f. 20.03.2017)	Independent and Non-Executive Director	1
Mr. Hemendrakumar C. Shah **	Member (w.e.f. 20.03.2017)	Additional Independent and Non-Executive Director	1
Mr. Maganlal Prajapati $	Chairman (ceased to be Chairman w.e.f. 25.01.2017)	Independent and Non-Executive Director	4
Mr. Shankarlal Patel $	Member (ceased to be member w.e.f. 25.01.2017)	Independent and Non-Executive Director	4

** Mr. Ajendrabhai Patel was a member of this Committee and from 20.03.2017 he has become Chairman of the Committee.*

*** Appointed as a member to this Committee w.e.f. 20.03.2017.*

$ Resigned from the Board on 25th January, 2017 and consequently they ceased to be a chairman and member of this Committee respectively.

The Chairman of the Committee has attended the last Annual General Meeting of the Company held on 23rd September, 2016.

Details of Remuneration of Directors for the Year Ended 31st March, 2017

Name of Director	Salary & Perquisites and other allowance	Commission	Sitting Fees	Total
Mr. Kamleshbhai Patel	2664000	0	0	2664000
Mr. Mukeshbhai Patel	2100000	0	0	2100000
Mr. Sureshbhai Patel	2100000	0	0	2100000
Mr. Bhaveshbhai Patel	1800000	0	0	1800000
Mr. Kanubhai Patel	1500000	0	0	1500000
Mr. Bhogibhai Patel	1200000	0	0	1200000
Mr. Maganlal Prajapati *	0	0	44447	44447
Mr. Shankarlal Patel *	0	0	44447	44447
Mr. Ajendrabhai Patel	0	0	44447	44447
Mr. Amrutbhai Patel	0	0	22224	22224
Mr. Premjibhai Chaudhari	0	0	33335	33335
Dr. Indira Nityanandam	0	0	33336	33336
Mr. Hemendrakumar Shah $	–	–	–	–
Dr. Satish Deodhar $	–	–	–	–

**Resigned from the Board w.e.f. 25th January, 2017*

$ Appointed as Additional independent Director on 20th March, 2017

iii. Stakeholders Relationship Committee

The Company has complied with the requirements of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

Terms of reference of Stakeholder Relationship Committee:

The Stakeholders Relationship Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with transfer of securities of the Company. The Committee also looks into redressal of shareholders'/ investors' complaints related to transfer of shares, non receipt of Balance Sheet, non-receipt of declared dividend, etc. The Committee oversees performance of the Registrars and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Committee is entrusted with the responsibility to resolve the grievances of security holders. The Committee monitors and reviews the performance and service standards of the Registrar and Share Transfer Agents of the Company and provides continuous guidance to improve the service levels for investors.

The Stakeholders Relationship Committee has reconstituted in Board Meeting held on dated 20th March, 2017.

The Committee has held Four Meetings during the financial year 2016-17 i.e. 21st May, 2016; 11th August, 2016; 26th October, 2016 and 25th January, 2017.

The Composition of Stakeholders Relationship Committee and the details of meetings attended by its members during the financial year 2016-17 are given below:

Name of the Committee Member	Designation	Category	No of Meetings Attended during the year 2016-17
Dr. Indira Nityanandam *	Chairperson (appointed w.e.f. 20.03.2017)	Independent and Non-Executive Director	–
Mr. Amrutbhai Patel	Member	Independent and Non-Executive Director	2
Mr. Kamleshbhai B. Patel	Member	Promoter, Non – Independent and Executive Director	4
Mr. Maganlal Prajapati $	Chairman (ceased w.e.f. 25.01.2017)	Independent and Non-Executive Director	4

** Appointed as Chairperson of this committee w.e.f. 20th March, 2017*

$ Resigned from the Board w.e.f. 25.01.2017 and hence ceased to be a Chairman of the Committee.

The Chairman of the Committee has attended the last Annual General Meeting of the Company held on 23rd September, 2016.

The Committee considers and resolves the grievances of the security holders. The Committee also reviews the manner and time-lines of dealing with complaint letters received from Stock Exchanges/SEBI/Ministry of Corporate Affairs etc., and the responses thereto.

Mrs. Renuka A. Upadhyay, Company Secretary is the Secretary to the Committee and the Compliance Officer appointed for the compliance of capital market related laws.

The Details of Investor complaints received and resolved during the financial year 2016-17 is as under:

No. of Investor complaints received during the year	No. of Investors complaints resolved during the year	Investor complaints pending at the end of the year
0	0	0

During the year ended on 31st March, 2017, the Company has not received any complaints therefore no complaints outstanding as on 31st March, 2017. Normally all the complaints are disposed of within 30 days, if received.

iv. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee mainly focused on to ensure that the Company is taking the appropriate measures to undertake and implement CSR projects successfully and has monitored the CSR Policy from time to time. To identify the areas of CSR activities and recommended the amount of expenditure to be incurred on such activities.

Terms of reference of Corporate Social Responsibility Committee:

- The Committee has reviewed the CSR Policy and associated frameworks, processes and practices of the Company and made appropriate recommendations to the Board.
- The Committee has ensured that the Company is taking the appropriate measures to undertake and implement CSR projects successfully and has monitored the CSR Policy from time to time.
- The Committee has identified the areas of CSR activities and recommended the amount of expenditure to be incurred on such activities.

In compliance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, the Company has framed a CSR Policy which is uploaded on the website of the Company www.aglasiangranito.com.

The CSR Report as required under the Companies Act, 2013 for the year ended March 31, 2017 is attached to the Board's Report.

The Committee has held one meeting during the financial year 2016-17 i.e. 25th January, 2017.

Name of the Committee Member	Designation	Category	No of Meetings Attended during the year 2016-17
Mr. Kamleshbhai B. Patel	Chairman	Promoter, Non – Independent and Executive Director	1
Mr. Mukeshbhai Patel	Member	Promoter, Non – Independent and Executive Director	1
Dr. Indira Nityanandam	Member	Independent and Non-Executive Director	1

v. Administrative Committee

The Company has a Management Committee of Board of Directors set up to inter-alia oversee routine operations that arise in the normal course of the business such as decision on banking relations, delegation of operational powers, appointment of nominees under various statutes etc.

Terms of reference:

The terms of reference of this committee covers the matters prescribed under the Section 179 (3) (d) to (f) of the Companies Act, 2013 and other rules prescribed thereunder.

The Administrative Committee will also review all the matters prescribed under the Listing Agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Council of the Institute of Company Secretaries of India except matters which are exclusively reserved to be discussed and decided in the Board Meetings.

Purpose:

The Administrative Committee shall carry out the Board's power and responsibilities with respect to a) to borrow monies b) to invest the funds of the Company c) to grant loans or give guarantee or provide security in respect of loans d) monitor compliances with such other powers and responsibility mentioned above or as may be stated herein.

The Committee has held Five Meetings during the financial year 2016-17 i.e. 29th June, 2016; 09th September, 2016; 24th September, 2016; 20th December, 2016 and 17th January, 2017.

Composition, name of members and Chairman, meetings held during the year and attendance at meetings:

Name of the Committee Member	Designation	Category	No of Meetings Attended during the year 2016-17
Kamleshbhai Patel	Chairman	Promoter, Non – Independent and Executive Director	5
Mukeshbhai Patel	Member	Promoter, Non – Independent and Executive Director	5
Bhaveshbhai Patel	Member	Executive Director	5

Mrs. Renuka A. Upadhyay, Company Secretary and Compliance officer acts as Secretary to this Committee.

Roles and Functions

i. To borrow funds not exceeding ₹ 500 Crores from Banks, Institutions, Companies, Corporations, Societies, Firms, Person or Persons on behalf of and for the Company.

ii. To grant loans, give guarantees or provide securities in relation to loans availed by, other bodies corporate including but not limited to the Company's subsidiaries, subject to the maximum amount calculated as per the limits prescribed in Section 186 of the Companies Act, 2013 and subject to the compliance of provisions of the Companies Act, 2013 and any subsequent modification or amendment thereof.

iii. To invest Company's funds by way of subscription, purchase or otherwise in the securities of other bodies corporate including but not limited to the Company's subsidiaries subject to the maximum amount calculated as per the limits prescribed in Section 186 of the Companies Act, 2013 and subject to the compliance of provisions of the Companies Act, 2013 and any subsequent modification or amendment thereof.

iv. To open, close and operate the Bank Accounts held in the name of the Company.

v. To hire or take on lease property of any kind for the purpose of Company's business at such rent and for such period and upon such conditions as it may think fit and proper for the purposes aforesaid, to execute all such agreements, leases and other documents as it shall think fit, which is in normal course of business not exceeding 10% of net worth or 10% of turnover and subject to approval of the Board in a duly convened Board Meeting as and when required as per applicable laws.

vi. To authorize the Director/s, Officer/s and/or other person or persons on behalf the Company to represent the Company before Central and/or State Government(s), Govt. Departments, local bodies, Court of law and other authorities for registration, filing of returns & documents, obtaining of forms, etc. and doing all other acts, deeds and things as may be required to be done from time to time on behalf of the Company and subject to approval of the Board in a duly convened Board Meeting as and when required by the applicable laws.

vii. To authorize the Director/s, Officer/s and/or other person or persons on behalf the Company to attend meetings of Companies in which Company is or would be shareholder, and to vote and otherwise take part in meetings and generally to exercise all rights which the shareholders or debenture holders would exercise.

viii. To exercise such powers and discharge such functions as may be conferred upon it from time to time by the Company in the general meeting or by the Board of Directors.

The committee reports to the Board and the minutes of these meetings are placed before the Board for confirmation.

3. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company meet once in a calendar year without the presence of Executive Directors and Management Personnel. During the year under review, the meeting of Independent Directors was held on 25th January, 2017, inter alia to:

i. Review the performance of non-independent directors and the Board as a whole;

ii. Review the performance of the Chairman of the Board, taking into account the views of executive directors and non-executive directors;

iii. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Company issued formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013. The terms and conditions of appointment are disclosed on the website of the Company https://aglasiangranito.com/AGMReference/Draft%20letter%20of%20Appointment.pdf.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company, the assessment of time devoted by the Board on the Company's long term goals and

strategies, Board effectiveness, quality of discussions at the meetings of the Board, time spent and quality of discussions. The performance evaluation of the Independent Directors was carried out by the entire Board. Structured questionnaires were prepared to evaluate the performance of the Board as a whole, individual performance of each Director and self – assessment carried out by the Directors. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The overall outcome of this exercise to evaluate effectiveness of the Board and its Committees was positive and members expressed their satisfaction.

Familiarisation Programme

The Company has formulated a policy to familiarise the independent directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. The details of such familiarisation programmes are regularly updated on the website of the Company. Web link is https://www.aglasiangranito.com/investor-relation.

4. ETHICS/ GOVERNANCE POLICIES

1. Code of Business Conduct and Ethics

In compliance with the Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Business conduct and Ethics ('the code'). The Company has in place a comprehensive Code of Conduct applicable to all employees and Directors. The code gives guidance and support needed for ethical conduct of business and compliance of laws.

A Code of Business Conduct and Ethics is available on the Company website www.aglasiangranito.com

The code has been circulated to Directors and management personnel.

2. Insider Trading Code

The Company has adopted the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The code is applicable to Promoters, Promoters Group, all Directors, Key Managerial Persons and such other designated employees who are expected to have access to unpublished Price Sensitive Information relating to the Company. The Company Secretary is the Compliance officer for monitoring the adherence to the said regulations.

3. Policy on Material Subsidiary

The Company has adopted a policy on material subsidiaries. The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company. The policy on Material Subsidiaries is available on the website of the Company https://aglasiangranito.com/policies/MATERIAL%20SUBSIDIARY%20POLICY%20OF%20ASIAN%20GRANITO%20INDIA%20LIMITED.pdf

4. Related Party Transactions

In line with requirement of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Related Party Transaction Policy. This policy is also available at Company's website at https://aglasiangranito.com/policies/RELATED%20PARTY%20TRANSACTION%20POLICY.pdf

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, a statement on all related party transactions is presented before the Audit Committee on a quarterly basis for its review.

5. Policy on Determination of Materiality

The Company has adopted the Policy on Determination of Materiality and the same is also uploaded at the website of the Company https://aglasiangranito.com/policies/Policyondetermination.pdf

6. Policy on Preservation of Disclosures

The Company has adopted the Policy on Determination of Materiality and the same is also uploaded at the website of the Company https://aglasiangranito.com/policies/Policy%20on%20preservation%20of%20documents.pdf

5. GENERAL BODY MEETINGS

The details of last three Annual General Meeting of the Company held are given below:

Financial Year	Location of the Meeting	Date and Time	Special Resolution Passed
2013-14	AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380015	30.09.2014 02:30 p.m.	Approval for: a) The borrowing limits b) Creation of mortgage /security on the assets c) Reappointment of Mr. Kamleshbhai B. Patel as Chairman and Managing Director d) Reappointment of Mr. Mukeshbhai J. Patel as Managing Director e) Alteration in the Articles of Association
2014-15	AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380015	24.09.2015 10:00 a.m.	(a) Approval of adoption of new set of Articles of Association of the Company containing Articles in conformity with the Companies Act, 2013
2015-16	AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380015	23.09.2016 11:00 a.m.	NIL

Six special resolutions were passed during the last three Annual General Meetings. There were no resolutions passed through postal ballot last year.

6. MEANS OF COMMUNICATION TO SHAREHOLDERS

1. The quarterly, half-yearly and annual financial results of the Company are sent to the Stock Exchanges immediately through permitted mode after these have been approved by the Board. These are widely published in eminent daily newspapers like The Financial Express and The Indian Express (both English and in vernacular language newspaper) and also uploaded on Company's website: www.aglasiangranito.com. The web link is as under https://www.aglasiangranito.com/investor-relation

2. Company's official news releases and presentation made to the Institutional Investors and analyst are sent to the Stock Exchanges and the same is made available on the Company's Website. The web link is as under https://www.aglasiangranito.com/investor-relation

3. Company is also planning to send soft copies of Annual Report 2016-17 to those shareholders whose email IDs are registered with the Depository Participants and / or with the Company's Registrars and Transfer Agents, unless opted by them to get the physical copy, to support the "Green Initiative in Corporate Governance", an initiative taken by the Ministry of Corporate Affairs. Your Company encourages its shareholders to register/ update the e-mail ids for communication purpose thereby contributing to the environment.

7. DISCLOSURES

The Company has always ensured fair code of conduct and maintained transparency. There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

Compliances, rules & regulations as laid down by various statutory authorities has always been observed by the Company since such change over both in letter as well as in spirit.

The Board has obtained certificates/disclosures from key management personnel confirming they do not have any material financial and commercial interest in transactions with the Company at large.

1. **Subsidiary Companies**

   Your Company does not have any material non-listed Indian subsidiary company in terms of Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The minutes of the Board meetings of the subsidiary companies are placed at the meeting of the Board of Directors of the Company on periodical basis.

   The Board of Directors of the Company has approved a policy for determining "material" subsidiaries. The said Policy has been placed on the website of the Company and can be accessed through the following link:https://aglasiangranito.com/policies/MATERIAL%20SUBSIDIARY%20POLICY%20OF%20ASIAN%20GRANITO%20INDIA%20LIMITED.pdf.

2. **Related Party Transactions**

   All transactions entered into with Related Parties as defined under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and comply with the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements.

   The Board has approved a policy for related party transactions which has been uploaded on the Company's website. The web link is https://aglasiangranito.com/policies/RELATED%20PARTY%20TRANSACTION%20POLICY.pdf

3. **Code of Conduct for Board members and Senior Management**

   Code of Conduct adopted by the Company has been posted on the website of the Company https://www.aglasiangranito.com/investor-relation. The members of the Board and senior Management of the Company have submitted their affirmation on compliance with the Code for the effective period. The declaration by the Executive Chairman to that effect forms part of this report as Annexure 1.

4. **Code of Conduct for Prevention of Insider Trading**

   In compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has in place the Code of Conduct to Regulate, Monitor and Report Trading by Insiders to avoid any insider trading and it is applicable to all the Directors, officers and connected persons who are expected to have access to the unpublished price sensitive information relating to the Company. The Company lays down the guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing in shares of the Company. The code of conduct for prevention of insider trading policy is hosted on the web site of the Company http://www.aglasiangranito.com/CodeOfConduct.aspx.

5. **Vigil Mechanism / Whistle Blower Policy**

   Pursuant to Section 177(9) and (10) of Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy with vigil mechanism for directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and directors who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. No complaint has been received during the year 2016-17.

   The details of establishment of vigil mechanism have been disclosed by the Company on its website i.e. https://aglasiangranito.com/policies/Whistle%20Blower%20Policy.pdf and in the Board's Report.

6. **CEO and CFO certification**

   The Chairman and Managing Director (CEO) and Chief Financial Officer (CFO) of the Company give an annual certificate on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The Executive Chairman and CFO also give quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the Listing Regulations.

7. Share Capital Audit Report

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital for the quarter ended is being carried out by M/s. Shilpi Thapar and Associates (CP No.:6779, FCS: 5492), Practising Company Secretaries with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to Stock Exchanges.

A secretarial audit report for the year 2016-17 carried out by M/S Shilpi Thapar and Associates, (CP No.:6779, FCS: 5492), Company Secretaries is annexed to the Directors Report and forms a part of the Annual Report.

8. COMPLIANCES

Mandatory Requirements

The Company has fully complied with the applicable mandatory requirements of SEBI Listing Regulations.

Adoption of non-mandatory requirements under SEBI Listing Regulations:

The Board:

The Company has appointed an executive chairman, being the promoter of the Company.

Shareholders Rights:

The quarterly and half-yearly financial results are published in widely circulated dailies and also displayed on Company's website www.aglasiangranito.com, the same are not being sent separately to each household of the shareholders.

Audit Qualification:

The Audit Reports on the Financial Statements for the year ended March 31, 2017 do not contain any modified opinion.

Separate posts of Chairman and CEO/ Managing Director:

As per the Articles of Association of the Company and in accordance with the provisions of the Companies Act, 2013, the Company continues to appoint one person as Chairman & Managing Director of the Company.

Reporting of Internal Auditor:

The internal auditor reports to Audit Committee.

9. GENERAL SHAREHOLDERS INFORMATION

a. 22nd Annual General Meeting:

Date & Time	Thursday, 21st September, 2017 at 11:00 AM
Venue	H T Parekh Convention Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015

b. Tentative Financial Calendar for the year 2017-18

First Quarterly Result	On or before August 14, 2017
Second Quarterly Result	On or before November 14, 2017
Third Quarterly Result	On or before February 14, 2017
Fourth Quarter and year end Result	On or before May 30, 2018

c. Date of Book Closure: Friday, 8th September, 2017 to Wedneday, 13th September, 2017 (Both days Inclusive).

d. Dividend Payment date: The proposed dividend, if approved at the ensuing AGM will be paid to all eligible shareholders within 30 days from the date of declaration.

e. Unpaid / Unclaimed Dividend:

All the unpaid / unclaimed dividend up to the financial year 2008-09 has been transferred to Investor Education and Protection Fund (IEPF). No claims will lie against the Company or the Fund in respect of unclaimed amount so transferred.

The unclaimed dividend declared in respect of the financial year 2009-10 is due to be transferred to the Investor Education and Protection Fund.

d. Disclosure in Respect of Equity shares transferred in the 'Asian Granito India Limited- Unclaimed Suspense Account' is as under

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on 1st April, 2016	2	301
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year.	0	0
Number of shareholders and aggregate number of shares transferred to the Unclaimed Suspense Account during the year	0	0
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on 31st March, 2017	2	301

g. Listing of Equity Shares on Stock Exchange:

At present, the equity shares of the Company are listed on the National Stock Exchange Limited (NSE- Scrip Code: ASIANTILES) and the Bombay Stock Exchange Limited (BSE- Scrip code: 532888). The Company has paid till date, appropriate listing fees to both the stock exchanges where the Company's equity shares are listed.

National Stock Exchange of India Limited
Exchange Plaza, Plot No. – C/1, G – Block,
Bandra- Kurla Complex,
Bandra (E), Mumbai – 400051

Bombay Stock Exchange Limited
2nd Floor, P. J. Towers,
Dalal Street, Fort,
Mumbai – 400001

Stock Code:
Bombay Stock Exchange (Scrip Code): 532888
National Stock Exchange (Trading Symbol): ASIANTILES
ISIN Number for Equity Shares: INE022I01019

h. Market Price Data:

The closing market price of equity share on 31st March, 2017 (last trading day of the year) was ₹ 366.85 on BSE and ₹ 368.15 on NSE.

The monthly movement of equity share prices during the year ended 31st March, 2017 at BSE and NSE are summarized below:

Month	BSE			NSE		
	High (₹)	Low (₹)	Total number of shares traded	High (₹)	Low (₹)	Total number of shares traded
Apr-16	166.20	144.00	1,80,347	167.60	143.40	7,14,460
May-16	187.30	155.00	4,25,779	187.55	153.00	13,49,451
Jun-16	199.75	164.35	14,90,725	200.00	163.75	29,16,054
Jul-16	225.25	189.60	9,25,176	225.30	189.20	18,94,228
Aug-16	238.00	205.00	16,57,374	239.00	204.50	21,64,080
Sep-16	304.00	220.10	20,60,450	305.00	220.20	37,20,297
Oct-16	297.30	264.15	17,00,512	297.20	264.80	35,83,982
Nov-16	276.00	175.10	12,48,219	278.70	176.00	20,89,841
Dec-16	230.80	203.85	6,09,273	230.75	205.00	14,69,292
Jan-17	283.00	217.00	13,55,236	283.00	216.65	38,14,656
Feb-17	290.40	265.00	13,01,993	291.00	265.10	25,59,826
Mar-17	377.15	273.00	37,43,098	377.00	276.65	50,68,571

Chart A: Asian Share Performance V/s BSE Sensex

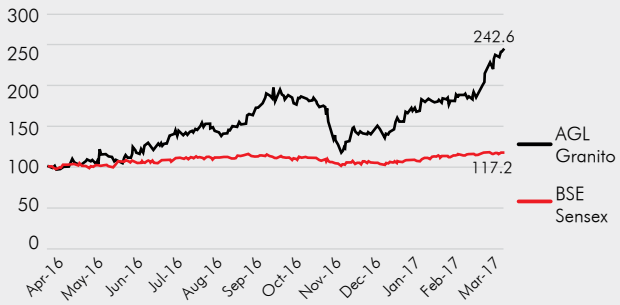
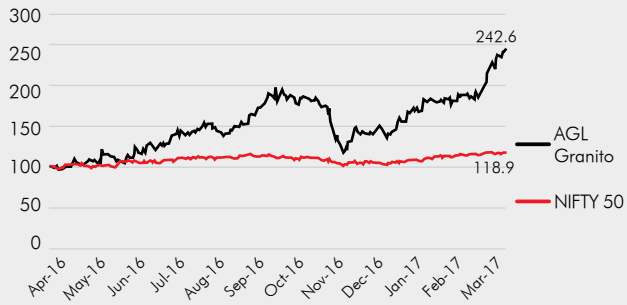


Chart B: Asian Share Performance V/s Nifty 50



i. Distribution of Shareholding as on 31st March, 2017

Shareholding	Holders	Percentage	No of shares	Percentage
Upto 500	7123	85.44	843972	2.81
501 to 1000	463	5.55	384094	1.28
1001 to 2000	264	3.17	412484	1.37
2001 to 3000	83	0.99	219412	0.73
3001 to 4000	52	0.62	189718	0.63
4001 to 5000	59	0.71	282114	0.94
5001 to 10,000	94	1.13	699562	2.33
10001 and above	199	2.39	27056090	89.92
Total	**8337**	**100**	**30087446**	**100**

j. **Shareholding pattern as on 31st March, 2017**

Category Code	Category	Total Shares	% of Share Capital
A	**Shareholding of Promoter & Promoter Group**		
	1. Indian Promoters	9958331	33.10
	2. Foreign Promoters	0	0
	Sub – Total	**9958331**	**33.10**
B	**Public Shareholding**		
	1. Institutions		
	- Financial Institutions/ banks	68550	0.23
	- Foreign Institutional Investors	0	0
	- Mutual Funds	533000	1.77
	2. Non Institutions		
	a. Bodies Corporate	7213634	23.98
	b. Individuals		
	(i) Nominal Share Capital up to ₹ 2 Lacs	2945597	9.79
	(ii) Nominal Share Capital in excess of ₹ 2 Lacs	7075757	23.52
	c. Qualified Foreign Investor	0	0
	d. Others		
	(i) Clearing member	314289	1.04
	(ii) Foreign Portfolio Investor (Corporate)	909019	3.02
	(iii) Non Resident Indians (Repat)	51619	0.17
	(iv) Non Resident Indians (Non Repat)	10709	0.04
	(v) Hindu Undivided Family	656050	2.18
	(vi) Trust	15250	0.05
	(vii) Other Directors	335641	1.11
2.84	**Sub Total**	**20129115**	**66.90**
	Total	**30087446**	**100**

k. **Physical/NSDL/CDSL/Summary Report as on 31st March, 2017**

PARTICULARS	SHARES	PERCENTAGE (%)
PHYSICAL	485	00.001
NSDL	7318994	24.326
CDSL	22767967	75.673
TOTAL	30087446	100.00

l. **Dematerialisation of Shares and Liquidity**

The equity shares of the Company are available under dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's equity shares are compulsorily traded in dematerialized form. The ISIN No. of the Company is INE022I01019.

As on 31st March, 2017, 3,00,86,961 equity shares of the Company have been dematerialised representing 99.99% of the total shares.

m. Registrar and Transfer Agent

Shareholders may contact the Company's Registrar and Share Transfer Agent (for both physical and demat segments) at the following address for any assistance regarding dematerialization of shares, share transfers, transmission, change of address, non-receipt of annual report and any other query relating to the shares of the Company:

Link Intime India Pvt. Ltd.
506 to 508, Amarnath Business Centre - I (ABC - I),
Besides Gala Business Centre,
Near St. Xavier's College Corner,
Off C G Road, Ellisbridge,
Ahmedabad, Gujarat, 380006
Tel. 079 26465179/86/87
E-mail: ahmedabad@linkintime.co.in
Web site: www.linkintime.co.in

n. Share Transfer System

To expedite the transfer of shares held in physical mode the powers to authorise transfers have been delegated to specified officials of the RTA and Company. The transfers which are complete in all respects are taken up for approval generally every ten days and the transferred securities dispatched to the transferee within fifteen days. The details of transfers / transmission approved by the delegatees are noted by the Securities Transfer and Stakeholders Relationship Committee at its next meeting. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the certificate with the Stock Exchanges.

The Company has signed necessary agreements with two depositories currently functional in India viz. National Securities Depository Limited & Central Depository Services (India) Limited. The transfer of shares in electronic mode need not be approved by the Company.

o. Outstanding GDRs / ADRs / warrants or any convertible instrument, conversion date and likely impact on the equity

As on date, the Company has not issued GDRs, ADRs, or any other convertible instruments and as such there is no impact on the equity share capital of the Company.

p. Registered Office

202, Dev Arc, Opp. Iscon Temple,
S. G. Highway, Ahmedabad – 380015
Telephone No.-91 79 66125500/698,
Fax No.-91 79 66125600/ 66058672
Email-info@aglasiangranito.com
CIN: L17110GJ1995PLC027025

q. Plant Locations

1	Ceramic Zone, Katwad Road, At & Po. Dalpur, Taluka Prantij 383 120, Dist. Sabarkantha
2	B/h. Sardar Plant, Idar -383430, Dist. Sabarkantha
3	Plot No. 767, Nr. JTI, Kheda Dholka Highway, Radhu, Dholka

r. Investor Services

For any assistance mail to: info@aglasianranito.com

s. **Location of the Depositories**

National Securities Depository Limited
Trade World, 4th Floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parle,
Mumbai – 400013

Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers,
28th Floor, Dalal Street,
Mumbai – 400001

t. **Compliance Officer**

Renuka A. Upadhyay
Company Secretary and Compliance Officer
202, Dev Arc, Opp. Iskcon Temple,
S. G. Highway,
Ahmedabad – 380015
E-mail: cs@aglasiangranito.com
Phone No. : 079 - 66125500/698/699
Fax No. : 079 - 66058672/66125600

For and on behalf of the Board

Place: Ahmedabad
Date: 10.08.2017

Kamleshbhai B. Patel
Chairman and Managing Director

Annexure 1 to Corporate Governance Report

To
The Shareholders,

Affirmation of Compliance with Code of Business Conduct

I, Kamleshbhai Patel, Chairman and Managing Director, declare that the Board of Directors of the Company has received affirmation on compliance with the Code of Business Conduct for the period from 1st April, 2016 or the date of their joining the Company, whichever is later, to 31st March, 2017 from all Members of the Board and employees under Senior Management Cadre comprising CEO / Executive Directors (not a Member of the Board), Vice Presidents and General Managers.

For and on behalf of the Board

Place: Ahmedabad
Date: 10.08.2017

Kamleshbhai B. Patel
Chairman and Managing Director

CEO & CFO Certificate

To
Board of Directors
Asian Granito India Limited
Ahmedabad

Dear Sir,

A. We have reviewed financial statements and the cash flow statement of Asian Granito India Limited for the year ended 31st March 2017 and that to the best of our knowledge and belief we state that:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware and the steps taken or propose to be taken to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

   1. significant change in internal control over financial reporting during the year;

   2. significant change in accounting policies made during this year and that the same have been disclosed in the notes to the financial statement; and

   3. instances to significant fraud of which we have become aware and the involvement therein, if any, of management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Ahmedabad
Date: 30.05.2017

Kamleshbhai B Patel
Chairman & Managing Director

Kalidasbhai J Patel
CFO

Certificate on Compliance

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER LISTING REGULATIONS, 2015

To
Board of Directors
Asian Granito India Limited

We have examined all relevant records of Asian Granito India Limited (the Company) for the purpose of certifying of all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March 2017. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For A. L. Thakkar & Co.
Chartered Accountants
FRN: 120116W

[Sanjiv V. Shah]
Partner
Membership No. 42264

Place: Ahmedabad
Date: 10.08.2017

STANDALONE FINANCIALS

Independent Auditor's Report

To the Members of
Asian Granito India Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Asian Granito India Limited** ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of standalone profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) in our opinion proper books of account as required

by law have been kept by the Company so far as it appears from our examination of those books;

(c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the impact of pending litigation on its standalone financial statements. Refer Note - 46 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The Company has Provided requisite disclosure in Note- 45 of its standalone financial statements as to holding as well as dealing in specified bank notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with books of accounts maintained by Company

For A. L. Thakkar & Co
Chartered Accountants
FRN: 120116W

Sanjiv V Shah
Partner
Membership No.042264

Place: Ahmedabad
Dated: 30.05.2017

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) (a) The management has conducted the physical verification of inventory at reasonable intervals.

(b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

(iii) The Company has granted loans to cover in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company

(b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.

(c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us there are no due of duty of customs which have not been deposited with appropriate authorities on account of any dispute. However, according to information and explanations given to us the following dues of income tax, sales tax, value added tax, service tax have not been deposited by the Company on account of disputes.

Name of the Statute	Nature of the Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Sale Tax Laws	Sale Tax	45.08/- Lacs	2003-04	Joint. Comm. Tax Comi.Appeals
Sale Tax Laws	Sale Tax	19.63/- Lacs	2004-05	Joint. Comm. Tax Comi.Appeals
Sale Tax Laws	CST	176.37/- Lacs	2014-15	Joint. Comm. Tax Comi.- Indore
Sale Tax Laws	CST	135.20/- Lacs	2014-15	Asst. Commi. Of Comm. Tax - Tamilnadu
Income Tax	I.T.	2553.46/- Lacs	2004-05	Appeal before Gujarat High Court, A'bad
Income Tax	I.T.	336.68/- Lacs	2005-06	Appeal before IT Appellate - Tribunal, A'bad Benches
Income Tax	I.T.	19.40/- Lacs	2009-10	Appeal before IT Appellate - Tribunal, A'bad Benches
Income Tax	I.T.	27.66/- Lacs	2010-11	Appeal before IT Appellate - Tribunal, A'bad Benches
Income Tax	I.T.	10.14/- Lacs	2011-12	Appeal before IT Appellate - Tribunal, A'bad Benches
Income Tax	I.T.	32.18/- Lacs	2012-13	Appeal before CIT appeal, A'bad

(b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited with the appropriate authorities on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the Government and has not issued any debentures.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) Based upon the audit procedures performed and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For A. L. Thakkar & Co
Chartered Accountants
FRN: 120116W

Sanjiv V Shah
Partner
Membership No.042264

Place: Ahmedabad
Dated: 30.05.2017

Annexure - B to Independent Auditors' Report of even date on the Standalone Financial Statement of the Company

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of the Company as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including

adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A. L. Thakkar & Co
Chartered Accountants
FRN: 120116W

Sanjiv V Shah
Partner
Membership No.042264

Place: Ahmedabad
Dated: 30.05.2017

Balance Sheet as at 31 March 2017

(Amount in Lacs)

Particulars	Notes	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
1 Share holders Funds:			
(a) Share Capital	2	3,008.74	2,258.25
(b) Reserve & Surplus	3	32,736.21	30,121.08
(b) Share Suspense Account		–	750.49
		35,744.95	33,129.82
2 Non-Current Liabilities			
(a) Long-Term Borrowings	4	1,371.17	1,966.75
(b) Deferred Tax Liabilities (Net)	5	2,343.73	2,199.84
(c) Other Long Term Liabilities	6	1,242.78	1,013.23
		4,957.68	5,179.82
3 Current Liabilities			
(a) Short-Term Borrowings	7	13,467.85	14,773.06
(b) Trade Payables	8	22,601.45	15,000.55
(c) Other Current Liabilities	9	2,328.10	1,763.71
(d) Short-Term Provisions	10	678.46	549.45
		39,075.86	32,086.77
Total Equity & Liabilities		79,778.49	70,396.41
ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	22,434.63	21,808.23
(ii) Intangible Assets	11	458.25	555.92
(iii) Capital work-in-progress	11	87.31	105.94
(b) Non Current Investments	12	3,380.42	3,538.26
(c) Long term loans and advances	13	3,610.29	3,589.02
(d) Other non-current assets	14	224.61	399.61
		30,195.51	29,996.98
2 Current Assets			
(a) Inventories	15	19,236.38	19,010.19
(b) Trade receivables	16	26,607.86	17,727.30
(c) Cash and cash equivalents	17	1,460.91	1,294.97
(d) Short-term loans and advances	18	2,091.16	2,180.30
(e) Other current assets	19	186.67	186.67
		49,582.98	40,399.43
Total Assets		79,778.49	70,396.41
Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Financial Statements

In terms of our report of even date attached

A. L. THAKKAR & CO.
Chartered Accountants

For and on Behalf of
ASIAN GRANITO INDIA LIMITED

SANJIV SHAH	Renuka Upadhyay	Kalidasbhai J. Patel	Kamleshbhai B. Patel	Mukeshbhai J. Patel
Partner	Company Secretary	*Chief Financial Officer*	*Chairman & Managing Director*	*Managing Director*
Membership No. 42264			[DIN No. : 00229700]	[DIN No. : 00406744]

Place : Ahmedabad
Date: 30.05.2017

Statement of Profit and Loss for the year ended 31 March 2017

(Amount in Lacs)

Particulars	Notes	As at 31st March, 2017	As at 31st March, 2016
1 REVENUE			
Revenue from operations (net)	20	94,988.10	87,297.48
Other Income	21	262.23	102.05
Total Revenue		**95,250.33**	**87,399.53**
2 EXPENSES			
Cost of materials consumed	22	17,877.26	21,170.04
Purchase of Stock-in-Trade		44,077.33	35,360.59
Change in inventories of finished goods, work-in-progress and stock-in-Trade	23	(394.65)	78.08
Employee Benefit Expense	24	5,498.45	5,059.95
Finance Costs	25	2,091.34	2,375.23
Depreciation and Amortization Expense	26	2,198.17	2,122.30
Power & Fuels	27	9,007.57	10,213.24
Other Expenses	28	11,001.19	8,411.60
Total Expenses		**91,356.66**	**84,791.03**
3 **Profit before exceptional and extraordinary items and tax**		**3,893.67**	**2,608.50**
4 **Exceptional / Extraordinary items**		**–**	**–**
5 **Profit before tax**		**3,893.67**	**2,608.50**
6 **Tax expense :**			
(1) Current tax		953.58	475.00
(2) Deferred tax		143.89	240.30
Profit for the period		**2,796.20**	**1,893.20**
Basic and Diluted Earning per equity share		9.29	6.71
Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Financial Statements

In terms of our report of even date attached

A. L. THAKKAR & CO.
Chartered Accountants

For and on Behalf of
ASIAN GRANITO INDIA LIMITED

SANJIV SHAH	Renuka Upadhyay	Kalidasbhai J. Patel	Kamleshbhai B. Patel	Mukeshbhai J. Patel
Partner	Company Secretary	*Chief Financial Officer*	*Chairman & Managing Director*	*Managing Director*
Membership No. 42264			[DIN No. : 00229700]	[DIN No. : 00406744]

Place : Ahmedabad
Date: 30.05.2017

Cash Flow Statement for the year ended 31 March 2017

(Amount in Lacs)

Particulars		2016-17	2015-16
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit / (Loss) before taxation and Extra-ordinary items		3,893.67	2,608.50
Adjustment for :			
Depreciation		2,198.17	2,122.30
Loss / (Profit) on Discarded Fixed Assets (net)		(218.24)	(3.21)
Interest Paid		2,091.34	2,375.23
Other Income Received		(262.23)	(102.05)
Operating Profit / (Loss) before working Capital changes		7,702.71	7,000.77
Changes in working Capital			
Adjustment for :			
Increase / (Decrease) in Trade & Other Payables		8,758.40	1,310.67
(Increase) / Decrease in Trade & Other Receivables		(8,637.69)	(1,397.19)
(Increase) / Decrease in Inventories		(226.19)	(164.00)
Cash generated from operations Before Income Tax Paid		7,597.23	6,750.25
Direct Taxes Paid		(953.58)	(475.00)
Net Cash Generated from / used in Operating Activities	[A]	6,643.65	6,275.25
B. CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of Fixed Assets		(2,999.65)	(4,353.32)
Sales of Fixed Assets		509.62	36.12
Sales / (Purchase) in Investments		157.84	(1,753.51)
Other Income Received		262.23	102.05
Net Cash Flow from Investing Activities	[B]	(2,069.96)	(5,968.66)
C. CASH FLOW FROM FINANCING ACTIVITIES :			
Addition to / (Repayment of) Long Term Borrowings		(830.13)	324.06
Addition to / (Repayment of) Short Term borrowings		(1,305.21)	(282.28)
Interest Paid		(2,091.34)	(2,375.23)
Increase / (Reduction) in Equity Share Capital		–	750.49
Increase / (Reduction) in Reserve & Surplus		–	1,046.44
Adjustment Relating to fixed Assets		–	–
Addition to / (Repayment of) Deffered Expense		–	148.60
Interim Dividend On Equity Shares		(150.44)	–
Tax On Dividend		(30.63)	–
Net Cash Generated from Financing Activities	[C]	(4,407.75)	(387.92)
Net Increase/(Decrease) in Cash and Cash Equivalents during the year	[A+B+C]	165.94	(81.33)
Cash and Cash Equivalents at the beginning fo the year		1,294.97	1,376.30
Cash and Cash Equivalents at the end of the year		1,460.91	1,294.97
Cash and Cash Equivalents Comprises of :			
Cash On Hand		26.03	57.63
Balance with Bank		1,096.46	1,085.63
Fixed Deposit with Bank		338.42	151.71
TOTAL		1,460.91	1,294.97

The accompanying Notes are an integral part of the Financial Statements

In terms of our report of even date attached

A. L. THAKKAR & CO.
Chartered Accountants

SANJIV SHAH
Partner
Membership No. 42264

Place : Ahmedabad
Date: 30.05.2017

For and on Behalf of
ASIAN GRANITO INDIA LIMITED

Renuka Upadhyay	Kalidasbhai J. Patel	Kamleshbhai B. Patel	Mukeshbhai J. Patel
Company Secretary	*Chief Financial Officer*	*Chairman & Managing Director*	*Managing Director*
		[DIN No. : 00229700]	[DIN No. : 00406744]

Notes to Financial Statements for the year ended March 31, 2017

Note : 1 SIGNIFICANT ACCOUNTING POLICIES :-

The Significant accounting policies to the extent applicable the companies are as under:

(i) System of Accounting :-

The Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act,2013 ("the 2013 Act"). The financial statements are prepared on accrual basis under the historical cost conversation. The financial statements are prepared in Indian rupees rounded off to the nearest rupees in Lacs.

(ii) Use of Estimates :-

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to the contingent liability as at the date of the financial statements and reported amounts of income and expenses like provision useful lives of fixed assets, provision for taxation and provision of employee benefits, etc., during the period. Management believes the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.

(iii) Revenue Recognition :-

All known income and expenditure quantifiable till the date of finalization of accounts are accounted on accrual basis when virtual certainty is established.

Sales of products is recognized when property in the goods with all risk rewards and effective control of goods usually associated with ownership are transferred to buyer at price includes insurance, freight etc. but excludes Excise, VAT and Sales Return if any and adjusted for discounts.

The presentation of financial statements require estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

(iv) Fixed Asset :-

Tangible Assets :-

Cost of Fixed assets comprises of its purchase price including import duties and other non refundable taxes or levies, expenditure incurred in the course of construction or acquisition and any directly attributable costs of bringing the asset to its working condition for the purpose of use for the business.

CENVAT Credit available on Capital goods has been reduced from cost of purchases of fixed assets and depreciation thereon has been calculated on the balance amount net off CENVAT credit available.

Capital Work in progress comprises of cost of capital expenditure incurred for the proposed machinery which is yet to put to use.

Intangible Assets :-

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization.

(v) Depreciation :-

Depreciation is provided on straight line method based useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 expect in respect of the following assets, where useful life is different than those prescribed in Schedule II are used. Depreciation rate prescribed in Companies Act,2013 prorata basis with reference to the date of acquisition/ installation.

[a] Tangible Assets :-

Particulars	Depreciation
Plant & Machinery - Continues Plant Acquired	Over a period of 15 years
Plant & Machinery - Continues Plant Before 1st April 2010 Year	Over a period of 11 years

Notes to Financial Statements for the year ended March 31, 2017

Note : 1 SIGNIFICANT ACCOUNTING POLICIES :- *(contd...)*

[b] Intangible Assets :-

Intangible are amortised as under

Particulars	Amortized
Brand	Over a period of 6.33 years

(vi) Investments :-

Investments are shown at their cost plus incidental expenses if any. Investments are classified as long term & Current investments. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary.

(vii) Valuation of Inventory :-

- Raw Materials	At cost or net realizable value whichever is less.
- Finished Goods	At cost or net realizable value whichever is less.
- Stores & Spares	At cost or net realizable value whichever is less.
- Fuel and Packing materials	At cost or net realizable value whichever is less.
- Work-in-progress	At Cost of production
- Stock in trade	At lower of cost or estimated realizable value.

The cost of inventory is determined on FIFO cost formula method on relevant categories of inventories after providing for obsolete, slow moving and defective inventories where ever necessary.

CENVAT Credit / VAT Credit :

CENVAT credit / VAT credit available on stores and spares and Raw Materials reduced from cost of purchases and balance has been shown in "Loans & Advances" under Current Assets in the Balance Sheet.

The Excise duty payable on the finished goods is accounted on the clearance of goods from factory premises.

(viii) Provisions and Contingent liabilities :-

1) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if
   a) The Company has a present obligation as a result of a past event.
   b) Probable outflow of resources is expected to settle the obligation and
   c) The amount of obligation can be reliably estimated

2) Contingent liability is stated in the case of :
   a) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
   b) A possible obligation, unless the probability of outflow of resources is remote.

3) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

4) Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date in accordance with the Accounting Standard AS-29 on "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India.

(ix) Retirement and other Employee Benefits :-

Provident fund :-

Retirement benefits in the form of Provident Fund are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.

Note : 1 SIGNIFICANT ACCOUNTING POLICIES :- *(contd...)*

Leave Benefits :-

We have made provision of Leave enchased as on 31st March,2017.

Gratuity :-

During the year the Company has a scheme of Retirement Benefit namely 'Group Gratuity Fund' recognized by the Income Tax authorities. This fund is administered through Trustees and the Company's contribution thereto is charged to revenue.

(x) Impairment of Fixed Assets :-

Factors giving rise to any indication of impairment of the carrying amounts of the Company's Assets are appraised at each Balance Sheet date to determine and provide/reverse an impairment loss. There is no impairment in the carrying amounts of Company's Assets.

(xi) Foreign currency transaction :-

Transactions in foreign Currency are recorded in rupees by applying the exchange rate at the date of the transaction and adjusted appropriately to capital or revenue, with the difference in the rate of exchange arising on actual receipt/payment during the year. Gains or Losses on settlement of the transactions are recognized under the head foreign exchange loss/(gain) in the Profit and loss account.

Current Assets and Liabilities (monetary items) are translated at the exchange rate prevailing on the last day of the year.

The Company enters into derivative contracts strictly for hedging purposes and not for trading or speculation.

(xii) Provision for Current and Deferred Tax :-

The tax expense comprises of Current Tax & Deferred Tax charged or credited to the profit and loss account for the year. Current Tax is calculated in accordance with the tax laws applicable to the current financial year. The deferred tax charge or credit is recognized using the tax rates applicable as on the date of balance sheet. Deferred Tax assets are recognized only if there is virtual certainty of realization of such assets. At balance sheet date, recognized and unrecognized Deferred Tax assets are reviewed.

(xiii) Borrowing Cost :-

Borrowing cost directly attributable and/or funds borrowed generally and used for the purpose of acquisition/construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized, at its capitalization rate to expenditure on that assets, for the period, until all activities necessary to prepare qualifying assets for its intended use are complete.

(xiv) Branch Accounting :-

Stock transfer at various branches, are done at a rate inclusive of Excise, education cess and freight charges. When the Sales from branches effected, above transfer value is nullified. Sales values of branches are accounted inclusive of VAT / CST charged by respective branches.

(xv) Leases :-

Where the Company is the lessee

Leases, wherein the lesser effectively retains substantially all the risks and benefits of ownership of the leases item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term as per Lease Agreement.

Notes to Financial Statements for the year ended March 31, 2017

Note : 2 SHARE CAPITAL

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
EQUITY SHARE CAPITAL		
Authorised		
3,62,50,000 (P.Y. 3,12,50,000) Eq. Shares of 10/- each	3,625.00	3,125.00
(50,00,000 Equity Shares are included on account of Amalgamation of erstwhile Artistique Ceramics Pvt.Ltd. Transferor Company)		
EQUITY SHARE CAPITAL		
Issued,Subscribed and Paid up Equity:		
3,00,87,446 Equity Shares of ₹ 10/- each fully paid up	3,008.74	2,258.25
(Previous Year 2,25,82,541 Equity Shares of ₹ 10/- each fully paid up)		
(75,04,905 Equity Shares are included on account of Amalgamation of erstwhile Artistique Ceramics Pvt.Ltd. Transferor Company)		
TOTAL OF SHARE CAPITAL	3,008.74	2,258.25

(2.1) The details of Equity shareholders holding more than 5% shares :

Name of the shareholder	As at 31st March, 2017	
	No. of Shares	% Held
VIGNAHARTA CERAMICS LLP	3,800,304	12.63%
KAMLESHBHAI BHAGUBHAI PATEL	3,437,448	11.42%
MUKESHBHAI JIVABHAI PATEL	2,458,319	8.17%
ASIAN OVERSEAS LLP	1,648,715	5.48%

Name of the shareholder	As at 31st March, 2016	
	No. of Shares	% Held
KAMLESHBHAI BHAGUBHAI PATEL	2,438,768	10.80%
MUKESHBHAI JIVABHAI PATEL	1,715,619	7.60%

(2.2) The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March, 2017 No. of Shares	As at 31st March, 2016 No. of Shares
Equity Shares at the beginning of the year	22,582,541	22,582,541
Add : Preferential Equity Shares issued during the year	–	–
Add: Share Allotted on account of Amalgamation	7,504,905	–
Less : Shares bought back during the year	–	–
Equity Shares at the end of the year	30,087,446	22,582,541

Notes to Financial Statements for the year ended March 31, 2017

Note : 3 RESERVES AND SURPLUS

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Capital Reserve		
As per Last Balance Sheet		
Less : On Amalagamation	–	(272.47)
b) Securities Premium Reserve	–	
As per Last Balance Sheet	7,690.51	7,313.00
Add : On Amalagamation	–	649.98
Closing Balance	7,690.51	7,690.51
c) General Reserve	890.00	890.00
d) Profit and Loss Account		
As per last balance sheet	21,540.57	18,978.44
Add : On Amalagamation	–	668.93
Add : Transfer from Profit & Loss Account	2,796.20	1,893.20
Less : Appropriations	–	
Interim Dividend On Equity Shares	150.44	–
Tax On Dividend	30.63	–
	24,155.70	21,540.57
TOTAL OF RESERVES & SURPLUS	32,736.21	30,121.08

Note : 4 LONG-TERM BORROWINGS

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
SECURED LOANS		
Borrowings from Banks :		
Term Loan - Rupee	251.43	827.43
Term Loan - Buyers Credit	513.31	302.26
Vehicle Loans	74.94	47.93
	839.68	1,177.62
UNSECURED LOANS		
Financial Institutions	506.60	764.24
From Others	24.89	24.89
	531.49	789.13
TOTAL OF LONG TERM BORROWING	1,371.17	1,966.75

4.1 Term Loan ₹ 851.53 Lacs are secured by way of First Pari Passu charge over the movable & immovable properties of the Company situated at Block No.160, 147A paiki, 162 at village Dalpur, Taluka-Prantij, Disct: Sabarkantha, Gujarat, over the movable assets including Plant & Machineries situated at Survery No.16 (paiki) Village: Jawanpura, Tal: Idar, Dist: Sabarkantha, Gujarat and over the One Wind Mill No.V-20 at survey No.204/1, Paiki, Village Vanku, Tal.Abdasa, Dist: Kutch, Gujarat AND Second Pari passu charge over entire current Assets situated at Block No.160, 147A paiki, 162 at village Dalpur, Taluka-Prantij, Disct: Sabarkantha, Gujarat and over entire current assets situated at Survery No.16 (paiki) Village: Jawanpura, Tal: Idar, Dist: Sabarkantha, Gujarat.

4.2 Term Loan Buyers Credit of ₹ 235.29 Lacs are secured by way of exclusive charge over imported machinery of Quartz Plant.

4.3 Vehicle loans are secured by hypothecation of vehicles in favour of Bank.

Notes to Financial Statements for the year ended March 31, 2017

Note : 5 DEFERRED TAX LIABILITIES (NET)

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
As per Last Balance Sheet	2,199.84	1,810.94
Add : On Amalagamation	–	148.60
Add : Additional Adjustment for Current Year	143.89	240.30
TOTAL OF DEFERRED TAX LIABILITY (Net)	2,343.73	2,199.84

5.1 The Net Increase during the year in the deferred tax liability ₹ 143.89 Lacs (P.Y. ₹ 240.30 Lacs Increase) has been debited to the Statement of Profit & Loss Account.

Note : 6 OTHER LONG TERM LIABILITIES

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
TRADE SECURITY DEPOSITS	758.76	625.21
OTHERS	484.02	388.02
TOTAL OF OTHER LONG TERM LIABILITIES	1,242.78	1,013.23

Note : 7 SHORT-TERM BORROWINGS

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
SECURED LOANS		
CASH CREDIT LOAN		
FROM BANK		
Rupees Loan	13,376.66	14,686.27
Foreign Currency Loan - Buyers Credit	91.19	86.79
TOTAL OF SECURED	13,467.85	14,773.06
TOTAL OF SHORT TERM BORROWING	13,467.85	14,773.06

7.1 Working capital loans are secured by hypothecation of present and future stock of Raw Materials,Stock in Process, Semi-finished goods, stores and spares and Book debts, receivables And second Pari Passu charge over entire movable assets and Immovable Properties of the Company situated at Block No.160, 147A paiki, 162 at village Dalpur, Taluka-Prantij, Disct:Sabarkantha, Gujarat (Vitrified/Wall /Marble Division) And Survey No.16 (paiki) , Village : Jawanpura, Taluka: Idar, District: Sabarkantha, Gujarat (Ceramic Division).

Note : 8 TRADE PAYABLE

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Micro, Small and Medium Enterprises	–	626.66
Others	22,601.45	14,373.89
TOTAL OF TRADE PAYABLES	22,601.45	15,000.55

8.1 The Company has not received full information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT); hence, disclosure relating to amount unpaid at year end together with interest paid/ payable have not been given based on the information so far available with the Company/identified by the Company management.

Note : 9 OTHER CURRENT LIABILITIES

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Current maturities of long term debt	590.45	825.00
Interest accrued but not due on borrowings	0.59	0.56
Unpaid Dividends **	1.01	0.54
Statutory Dues Payable	210.39	216.98
Provision for Expenses	-	13.68
Advance from Customer	1,416.50	611.33
Other Payables	109.16	95.62
TOTAL OF OTHER CURRENT LIABILITIES	2,328.10	1,763.71

** Unpaid dividends do not include any amounts, due and outstanding, to be credited to investor Education and protection fund.

Note : 10 SHORT-TERM PROVISIONS

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provisions for Employee Benefit	678.46	549.45
TOTAL OF SHORT TERM PROVISIONS	678.46	549.45

Notes to Financial Statements for the year ended March 31, 2017

Note : 11 **FIXED ASSETS** *(Amount in Lacs)*

Description	Gross Block				Depreciation / Amortization				Net Block	
	Opening As at 01-04-2016	Addition During the Year	Deduction During the Year	Closing As at 31-03-2017	Opening As at 01-04-2016	Addition During the Year	Deduction During the Year	Closing As at 31-03-2017	Closing As at 31-03-2017	Closing As at 31-03-2016
TANGIBLE ASSETS :										
Land & Land Development	568.10	2.68		570.78	–	–	–	–	570.78	568.10
Power Plant-Windmill Land	10.00	–		10.00	–	–	–	–	10.00	10.00
Building - Factory	7,480.98	130.88		7,611.86	1,868.64	237.61		2,106.25	5,505.61	5,612.34
Office & Other Building	866.36	–	35.84	830.52	112.99	13.64	5.45	121.18	709.34	753.37
Plant & Machinery & Elec.	27,674.26	2,194.09	266.26	29,602.09	13,918.48	1,609.40	252.95	15,274.93	14,327.16	13,755.78
Power Plant - Wind Mill	601.85	–		601.85	408.92	22.87	–	431.79	170.06	192.93
Furniture & Fixture	766.80	214.44		981.24	332.63	77.17	–	409.80	571.44	434.17
Vehicle	603.33	155.28	60.73	697.88	299.08	57.21	36.70	319.59	378.29	304.25
Office Equipment	289.44	20.86	1.07	309.23	194.88	28.82	0.60	223.10	86.13	94.56
Computers	370.01	74.54	19.74	424.81	287.28	45.10	13.39	318.99	105.82	82.73
TOTAL (A)	**39,231.13**	**2,792.77**	**383.64**	**41,640.26**	**17,422.90**	**2,091.82**	**309.09**	**19,205.63**	**22,434.63**	**21,808.23**
INTANGIBLE ASSETS :										
Trade Mark	55.00	–	–	55.00	52.25	–	–	52.25	2.75	2.75
Brand	651.10	–	–	651.10	97.93	97.67	–	195.60	455.50	553.17
TOTAL (B)	**706.10**	**–**	**–**	**706.10**	**150.18**	**97.67**	**–**	**247.85**	**458.25**	**555.92**
TOTAL (A + B)	**39,937.23**	**2,792.77**	**383.64**	**42,346.36**	**17,573.08**	**2,189.49**	**309.09**	**19,453.48**	**22,892.88**	**22,364.15**
Previous Year	33,712.32	6,298.56	73.65	39,937.23	14,936.70	2,677.12	40.74	17,573.08	22,364.15	18,775.62
Capital Work-in-progress	105.94		18.63	87.31	–	–	–	–	87.31	105.94

Notes to Financial Statements for the year ended March 31, 2017

Note : 12 NON CURRENT INVESTMENTS

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Long Term Investments other than trade (At Cost)		
In Equity Shares of Associate Company - Un Quoted , fully paid up		
AGL Panaria Private Limited	641.65	491.65
64,16,500 Equity Shares of ₹ 10/- each [Previous Year 49,16,500 Equity Shares of ₹ 10/- each]		
Astron paper & Board Mill Ltd.	877.50	1,185.00
87,75,000 Equity Shares of ₹ 10/- each [Previous Year 118,50,000 Equity Shares of ₹ 10/- each]		
Amazon Ceramics Limited	993.55	993.55
2,03,76,582 Equity Shares Face Value of ₹ 10/- each [P.Y. 2,03,76,782 Equity Shares Face Value ₹10/- each]		
AGL Industries Limited	187.60	187.60
18,76,000 Equity Shares of ₹ 10/- each [Previous Year 18,76,000 Equity Shares of ₹ 10/- each, out of Total 18,76,000 Equity Shares , Fully Paid Up Eq.Shares was 90,000 and Partiy Paid Shares was 17,86,000 @ ₹5/-]		
In Partnership Firms		
Pooja Mines & Minerals	9.80	9.80
Kediya Ceramics - Partnership Firm as Capital Contribution	670.32	670.66
TOTAL OF NON CURRENT INVESTMENT	3,380.42	3,538.26

Note : 13 LONG TERM LOANS AND ADVANCES

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
(Unsecured Considered good)		
Advance Income Tax (Net of Provision)	322.11	512.15
Others	3,288.18	3,076.87
TOTAL OF LONG TERM LOANS & ADVANCES	3,610.29	3,589.02

Note : 14 OTHER NON-CURRENT ASSETS

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Deferred Expense	224.61	399.61
TOTAL OF OTHER NON CURRENT ASSETS	224.61	399.61

Notes to Financial Statements for the year ended March 31, 2017

Note : 15 INVENTORIES

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Raw Material	4,567.62	4,304.36
Packing Material	416.62	345.31
Semi Finished	59.07	254.56
Work-in-progress	1,752.24	2,034.06
Finished Goods	10,138.80	9,519.29
Stock-in-Trade	455.78	398.82
Stock of Stores & Spares	1,728.62	1,997.65
Others		
(a) Stock of Fuel	117.63	156.14
TOTAL OF INVENTORIES	19,236.38	19,010.19

Inventory items have been valued considering the Significant Accounting Policy No. VI disclosed in Note no. 1 to these financial statements.

Note : 16 TRADE RECEIVABLES

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
(Unsecured and Considered Good)		
Over six months	3,367.98	3,251.37
Others	23,239.88	14,475.93
TOTAL OF TRADE RECEIVABLES	26,607.86	17,727.30

Note : 17 CASH AND CASH EQUIVALENTS

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance with Banks **	1,096.46	1,085.63
Cash on hand	26.03	57.63
Fixed deposits with banks		
Less Than 12 Months Maturity	338.42	151.71
TOTAL OF CASH & CASH EQUIVALENTS	1,460.91	1,294.97

** Balance with Banks includes Unpaid Dividend of ₹ 59,629/- (Previous Year ₹ 94,791/-)

Note : 18 SHORT-TERM LOANS AND ADVANCES

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured Considered Good		
Balance with Customs, Central Excise Authorities	369.21	507.21
Deposit with Others	119.70	121.85
Prepaid Expense	255.80	173.30
Advance to Others **	1,346.45	1,377.94
TOTAL OF SHORT TERM LOANS & ADVANCES	2,091.16	2,180.30

** Advance to others includes advance to creditors

Note : 19 OTHER CURRENT ASSETS

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Miscellaneous Expenditure	186.67	186.67
TOTAL OF OTHER CURRENT ASSETS	186.67	186.67

Notes to Financial Statements for the year ended March 31, 2017

Note : 20 REVENUE FROM OPERATIONS (NET)

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Sale of Products (Gross)	102,322.15	95,549.80
Less: Excise Duty/ VAT & CST Recovered	7,542.70	8,477.05
	94,779.45	87,072.75
Other Operating revenues	208.65	224.73
TOTAL OF REVENUE FROM OPERATIONS (NET)	94,988.10	87,297.48
PARTICULARS OF SALE OF PRODUCTS		
Tiles Products	78,443.50	71,649.15
Marble & Quartz	15,986.16	15,295.76
Others	349.79	127.84
	94,779.45	87,072.75
OTHER OPERATING REVENUES		
Wind Mill Power Generation Income	85.01	72.00
Job Work Income	1.44	7.97
Duty Draw Back income	122.53	142.65
Profit From Partnership Firm	(0.33)	2.11
	208.65	224.73

Note : 21 OTHER INCOME

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
From Others	13.52	64.07
From Profit on Sale of Securities/Assets	218.24	3.35
Other non-operating income	30.47	34.63
TOTAL OF OTHER INCOME	262.23	102.05

Note : 22 COST OF MATERIALS CONSUMED

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Raw Material Consumed		
Body Material	10,229.61	10,384.33
Glaze, Frits and Chemicals & Others	4,941.46	4,994.47
	15,171.07	15,378.80
Packing Materials	793.39	801.76
Semi Finished Material Consumed		
Marble	1,912.80	4,989.48
TOTAL OF COST OF MATERIAL CONSUMED	17,877.26	21,170.04

Notes to Financial Statements for the year ended March 31, 2017

Note : 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE (Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
FINISHED GOODS		
(a) Closing Stock on hand	10,138.80	9,519.29
(b) Opening Stock	9,519.29	9,037.34
Add : On Amalagamation		383.22
	619.51	98.73
WORK IN PROCESS		
(a) Closing Stock on hand	1,752.24	2,034.06
(b) Opening Stock	2,034.06	2,119.10
Add : On Amalagamation	–	41.97
	(281.82)	(127.01)
STOCK-IN-TRADE		
(a) Closing Stock on hand	455.78	398.82
(b) Opening Stock	398.82	448.62
	56.96	(49.80)
TOTAL OF CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE	**394.65**	**(78.08)**

Note : 24 EMPLOYEE BENEFIT EXPENSES (Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Salaries and Wages	5,148.04	4,745.10
Contribution to Provident and Other Funds	283.38	276.76
Staff Welfare Expenses	67.03	38.09
TOTAL OF EMPLOYEE BENEFIT EXPENSE	**5,498.45**	**5,059.95**

Note : 25 FINANCE COSTS (Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Interest Expenses	1,961.99	2,239.64
Other borrowing costs		
- Processing Fees	46.45	49.70
- Other Ancillary Cost	82.90	85.89
TOTAL OF FINANCE COSTS	**2,091.34**	**2,375.23**

Note : 26 DEPRECIATION AND AMORTIZATION EXPENSE (Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Depreciation Expense	2,189.49	2,122.30
Preliminery Expense W/off	8.68	–
TOTAL OF DEPRECIATION AND AMORTIZATION EXPENSE	**2,198.17**	**2,122.30**

Notes to Financial Statements for the year ended March 31, 2017

Note : 27 POWER AND FUELS

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Fuel & Gas Consumed	6,499.06	7,383.04
Electricity Power Consumed	2,508.51	2,830.20
TOTAL OF POWER & FUELS	9,007.57	10,213.24

Note : 28 OTHER EXPENSES

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
MANUFACTURING EXPENSE		
Stores Materials Consumed	2,648.48	2,230.33
Loading Unloading & Other factory overheads	898.85	604.29
Repairs to Buildings	33.12	28.33
Repairs to Machinery	116.85	86.33
	3,697.30	2,949.28
SALES & DISTRIBUTION EXPENSE		
Advertisement Expense	1,629.23	858.24
Excise Duty	80.77	184.10
Other Selling & Distribution Expense	3,462.12	2,465.00
	5,172.12	3,507.34
OFFICE & ADMINISTRATIVE EXPNESE		
Insurance	217.12	199.00
Rent , Rates & Taxes	365.69	349.52
Auditor's Remuneration	6.50	7.25
Director's Travelling	9.65	11.24
Travelling & Conveyance	993.94	830.33
Charity & Donations	54.06	5.57
Legal & Professional Fees	190.51	113.67
Loss on Sale of Assets	–	0.14
Misc. & General Expenses	168.35	126.37
Postage & Courier & Communication	161.04	152.40
Printing & Stationery	18.75	18.55
Repairs & Maintenance - Others	72.01	46.51
Vehicle Repairs & Maintenance	49.70	53.27
Sundry Balance Written off	57.78	(5.01)
Foreign Exchange Loss / (Gain)	(233.33)	46.17
	2,131.77	1,954.98
TOTAL OF OTHER EXPENSES	11,001.19	8,411.60

Notes to Financial Statements for the year ended March 31, 2017

Note : OTHER NOTES

29. The quantity of inventories is based upon physical verification by the management and the valuation is also based on details of cost and realizable value (wherever applicable) considering the quality & other relevant factors ascertained by management. The quantities of inventories, Sales, and purchases are taken on the basis of details worked out from the bills and the stock records maintained by the Company (wherever applicable).

30. In the opinion of the Board of Directors,

(1) Current Assets, Loans & Advances are realizable in the ordinary course of business, at the value at which they are stated.

(2) The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary. In sample sale, Only Excise Duty payable on sample sale value is charged as expenses considering no commercial value of samples.

31. Balance of Sundry creditors, debtors, debit/credit balance of loans and advances are subject to confirmation from the respective parties.

32. Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with the current year figures.

33. The Board of Directors has recommended dividend of ₹ 1.30/- per equity share of face value of ₹ 10/- each for the financial year ended on 31st March, 2017 subject to the approval of shareholders in the ensuing Annual general Meeting.

34. The Company has not received full information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 (MEMED Act); disclosure relating to amount unpaid at year end together with interest paid/payable have been given based on the information so far available with the Company/indentified by the Company management.

(₹ In Lacs)

Particulars	2016-17	2015-16
1. Principal amount outstanding	–	626.66
2. Interest due on (1) above and the unpaid interest	–	–
3. Interest paid on all delayed payments under MSMED Act	–	–
4. Payment made beyond the appointed date during the Year	–	–
5. Interest due and payable for the period of delay other than (3) above	–	–
6. Interest accrued and remaining unpaid	–	–
7. Amount of further interest remaining due and payable in succeeding years	–	–

35. Additional Information pursuant to Para 5 of Part II of Schedule III of the Companies Act.2013

a) Particulars of Sales & stocks :-

(₹ In Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
i) Opening Stock		
Tiles	7,774.64	7,839.27
Marble	1,606.77	1,965.50
Others	536.70	64.41
	9,918.11	9,869.18
ii) Purchases		
Tiles	40,783.18	34,711.54
Marble	3,294.15	634.14
Others	–	14.91
	44,077.33	35,360.59
iii) Sales		
Tiles	78,443.50	71,649.15
Marble	15,986.16	15,295.76
Others	349.79	127.84
	94,779.45	87,072.75

Notes to Financial Statements for the year ended March 31, 2017

Note : OTHER NOTES

(₹ In Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
iv) Closing Stocks		
Tiles	9,297.68	7,774.64
Marble	1,290.62	1,606.77
Others	6.28	536.70
	10,594.58	9,918.11

b) Value of Imports on CIF Basis :-

(₹ In Lacs)

Particulars	2016-17	2015-16
Store & Spares & Capital Goods	1,970.48	1,241.40
Raw Materials	284.31	457.01
Finish Goods	2,499.61	1,631.40
Semi Finish Good	1,390.52	4,376.68
Other	0.60	–
Total	6,145.52	7,650.73

c) Expenditure in Foreign Currency :-

(₹ In Lacs)

Particulars	2016-17	2015-16
Travelling Expenses	14.23	19.34
Exhibition Expenses	21.61	18.6
Commission to selling agents	367.7	92.03
R & D Sample & Other Product	6.13	33
Branding Expenses	11.11	-

d) Earnings in Foreign Currency :-

(₹ In Lacs)

Particulars	2016-17	2015-16
FOB Value of Exports (₹)	6599.62	4,752.16

e) Auditor remunerations :-

(₹ In Lacs)

Particulars	2016-17	2015-16
Statutory Audit	6.50	7.25
Tax Audit	0.75	1.00
Total	7.25	8.25

36. Disclosure required by the AS-15 :-

A. Components of Employer

(₹ In Lacs)

Particulars	31st March, 2017	31st March, 2016
Current Service cost	41.74	44.11
Net Interest Cost	2.52	0.32
Expected Return on Assets	40.24	1.59
Total Employer Expense recognized in the P & L	84.50	46.02

Notes to Financial Statements for the year ended March 31, 2017

Note : OTHER NOTES

B. Net Asset/(Liability) Recognized in Balance Sheet (₹ In Lacs)

Particulars	31st March, 2017	31st March, 2016
Present value of Defined Benefit Obligation at the end of the Period	(250.93)	(199.80)
Fair Value of Plan Assets at the end of the Period	178.55	169.74
Funded status [Surplus/(Deficit)]	(72.37)	(30.07)
Unrecognized Past Service Costs	0.00	0.00
Net Assets/(liability)recognized in Balance Sheet	**(72.37)**	**(30.07)**

C. Change in Obligation & Assets over the period ending on 31Mar2017 (₹ In Lacs)

Particulars	31st March, 2017	31st March, 2016
Present value of Defined Benefit Obligation at the Beginning of the Period	199.80	179.59
Interest Cost	16.74	14.30
Employer Service Cost	41.74	44.11
Benefit Paid from Fund	(39.45)	(37.00)
Actuarial (Gain)/Loss on Obligations - Due to Change in Financial Assumptions	22.01	(9.39)
Actuarial (Gain)/Loss on Obligations - Due to Experience	10.08	8.20
Present value of Defined Benefit Obligation at the End of the Period	**250.93**	**199.80**

D. Change in Assets (₹ In Lacs)

Particulars	31st March, 2017	31st March, 2016
Fair Value of Plan assets at the Beginning of The period	169.74	175.54
Expected Return on Plan Assets (Para 108/109)	14.22	13.97
Actuarial Gain / (Loss)	(8.15)	(2.78)
Contributions by the Employer	42.19	20.00
Benefits payments	(39.45)	(37.00)
Fair Value of the assets at the end of the period	**178.55**	**169.74**

E. Balance Sheet Reconciliation (₹ In Lacs)

Particulars	31st March, 2017	31st March, 2016
Opening Net Asset(Liability) at the Beginning of The Period	30.07	4.04
Employer Expense	84.50	46.02
Employer Contributions	(42.19)	(20.00)
Acquisitions/business combinations	0.00	–
Closing Net Asset(Liability) at the End of The Period	**72.37**	**30.06**

F. The principal assumption used in determining gratuity benefit obligations for the Company's plans are shown below

Particulars	31st March, 2017	31st March, 2016
Discount rate (P78 of AS15R)	7.52%	8.38%
Expected return on assets (P107-109 AS15R)	7.52%	8.38%
Salary Increases (Para83-91 and 120(l) AS15R)	4.00%	4.00%
Withdrawal rates	2.00%	2.00%
LIC (1994-96) Published table of Mortality Rates During Employment	Indian Assured Lives Mortality (2006-08)	
Mortality Rate After Employment	N.A.	

Notes to Financial Statements for the year ended March 31, 2017

Note : OTHER NOTES

37. Accounting for taxes of Income :-

The Company has adopted Accounting Standard AS-22 "Accounting for Taxes on Income", issued by The Institute of Chartered Accountants of India. The Company has net deferred tax liability as follows.

Deferred tax liabilities comprises of timing differences on account of following: *(₹ In Lacs)*

Particulars	31st March, 2017	31st March, 2016
Written Down Value	2,515.03	2,148.22
Deferred Expenses	(64.04)	100.27
Interest accrued but not Due	(0.01)	(0.04)
Leave Encashment & Bonus	(7.42)	(3.49)
Gratuity.	(14.64)	(8.79)
MAT Credit	(81.67)	(29.55)
Short Term Capital Loss	(3.52)	(6.78)
Net Deferred Tax Liability	**2,343.73**	**2,199.84**

38. Earnings Per Share (EPS) :-

i) The amount used as numerator in calculating basic and diluted earnings per share is the profit after depreciation and taxes i.e. ₹ 27,96,17,924/-

ii) The number of ordinary shares used as the denominator in calculating the basic earnings per share is 3,00,87,446 i.e. weighted number of equity shares as on the date of balance sheet 31st March, 2017. Diluted earnings per share is arrived by taking weighted number of equity shares outstanding as on the date of balance sheet i.e. 3,00,87,446

Particulars	As at 31st March, 2017	As at 31st March, 2016
- Profit attributable to the Equity Shareholders (₹) (A)	2796.20	1893.20
- Weighted average No. of Equity Shares Outstanding during the year (B)	300.87	282.11
- Nominal value of Equity Shares ₹	10	10
- Basic / Diluted Earnings per Share (₹) (A)/(B)	9.29	6.71

39. Borrowing Cost :-

Based on the guiding principle given in Accounting standard on "Borrowing Cost" (AS-16) issued by the ICAI, the Company has capitalized ₹ Nil/-, (P.Y. ₹ Nil/-) during the year to the Fixed Assets

40. During the year the Company has taken short term unsecured Loan ₹ 30.09 Crore for working capital requirement against domestic receivable from Axis Bank Limited. Instead of showing the same under the Balance sheet head current liabilities in short term borrowing. The Company has deducted the same amount from trade receivable in current assets.

41. As per section 135 of the Companies Act,2013, Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014, *(₹ In Lacs)*

Particulars	31st March, 2017	31st March, 2016
CSR	45.75	45.27

42. Segment Reporting :- (AS-17)

Based on the guiding principle given in Accounting standard on "Segment Reporting" (AS-17) issued by the ICAI, the Company's primary business is manufacturing of Tiles, the tiles business of the Company incorporate product groups i.e. Ceramic Tiles which mainly have similar risk and returns, accordingly there are no separate segment,

The operation of the Company is in India and all Assets and Liabilities are located in India. And analysis of the Sales by Geographical market is given below. *(₹ In Lacs)*

Location	2016-17	2015-16
India	88,455.67	82134.94
Outside India	6,323.78	4937.81
	94,779.45	**87,072.75**

Notes to Financial Statements for the year ended March 31, 2017

Note : OTHER NOTES

43. Related Party Disclosures under :

In accordance with the Accounting Standards (AS-18) on Related party Disclosures, During the year the Company entered into transaction with the related parties. Those transactions along with related balances as at 31st March, 2017 and for the year then ended are presented in the following.

A. Relationships

Subsidiaries :-

AGL Industries Ltd.	Amazoone Ceramics Ltd.
Kediya Ceramics	–

Step Subsidiaries :-

Powergrace Industries Ltd.	Crystal Ceramic Industries Pvt Ltd.

Associates : -

Astron Paper & Board Mill Ltd.	Affil Vitrified Pvt Ltd.

Joint Venture :-

AGL Panaria Pvt Ltd.	–

Partnership Firm & LLP :-

AGL Developers	Aryan Buildspace LLP

Key Management Personnel :-

Kamleshbhai Bhagubhai Patel	Mukeshbhai Jivabhai Patel
Kalidasbhai Jivabhai Patel	Renukaben A Upadhyay

Directors : -

Bhaveshbhai Vinodbhai Patel	Kanubhai Bhikhabhai Patel
Sureshbhai Jivabhai Patel	Bhogibhai Bhikhabhai Patel

Relatives of Key Managerial Personnel:-

Hinaben Kamleshbhai Patel	Zalakben Hirenbhai Patel
Bhagubhai Punjabhai Patel	Parulben Kanubhai Patel
Hiraben Bhagubhai Patel	Sureshbhai Bhikhabhai Patel
Rajviben Kuldipbhai Patel	Asmitaben Bhaveshbhai Patel
Kuldeepbhai Rameshbhai Patel	Vinodbhai Lalabhai Patel
Bhanuben Mukeshbhai Patel	Vipulbhai Vinodbhai Patel
Dhuliben Jivabhai Patel	Alpaben Jagdishbhai Patel
Shaunakbhai Mukeshbhai Patel	Bhaveshbhai Bhogibhai Patel
Shaliniben Shaunakbhai Patel	Rameshbhai Bhikhabhai Patel
Chhayaben Sureshbhai Patel	Ankitaben Kalidasbhai Patel
Hirenbhai Sureshbhai Patel	–

Notes to Financial Statements for the year ended March 31, 2017

Note : OTHER NOTES

B. The following transactions were carried out with related parties in the ordinary course of business:-

(₹ In Lacs)

Related Party Transactions	Key Management Personnel & their relatives	Subsidiaries	Others
Transaction During The Period			
[A] Subsidiaries :-			
(i) AGL Industries Ltd.			
- Interest Paid	–	5.89	–
- Loan Taken	–	62.50	–
- Loan Repaid	–	190.55	–
(ii) Amazoone Ceramics Ltd.			
- Purchase of Goods	–	3,737.67	–
- Sale of Goods	–	311.23	–
- Sales Commission Exp	–	11.34	–
- Rent Paid	–	3.11	–
- Interest Received	–	163.69	–
- Loan Recovered	–	553.89	–
- Advance Given	–	2.00	–
- Advance Recovered	–	2.00	–
[B] Step Subsidiaries :-			
(i) Powergrace Industries Ltd.			
- Purchase of Goods	–	3.68	–
- Sale of Goods	–	253.04	–
- Other Paid	–	117.36	–
- Rent Received	–	0.19	–
(ii) Crystal Ceramic Industries P Ltd.			
- Purchase of Goods	–	7,998.80	–
- Sale of Goods	–	56.65	–
- Interest Received	–	42.05	–
- Loan Given	–	4,225.00	–
- Loan Recovered	–	3,704.21	–
[C] Associates :-			
(i) Astron Paper & Board Mill Ltd.			
- Purchase of Goods	–	–	72.19
- Interest Received	–	–	15.53
- Loan Given	–	–	399.75
- Loan Recovered	–	–	6.35
- Disinvestment	–	–	399.75
- Profit on Sale of Share	–	–	92.25
(ii) Affil Vitrified Pvt. Ltd.			
- Purchase of Goods	–	–	5,279.26
- Sale of Goods	–	–	0.13

Notes to Financial Statements for the year ended March 31, 2017

Note : OTHER NOTES

B. The following transactions were carried out with related parties in the ordinary course of business:- (₹ In Lacs)

Related Party Transactions	Key Management Personnel & their relatives	Subsidiaries	Others
[D] Joint Venture :-			
(i) AGL Panaria Pvt Ltd.			
- Sale of Goods	–	–	1,462.71
- Sample Exp	–	–	8.23
- Other Paid	–	–	7.83
- Rent Received	–	–	3.84
- Investment	–	–	150.00
- Advance Received	–	–	23.66
[E] Partnership Firm & LLP :-			
(i) AGL Developers			
- Advance Received against Sale	–	–	72.00
(ii) Aryan Buildspace LLP			
- Sale of Goods	–	–	84.06
[F] Directors, Key Managerial, & Relatives :-			
- Director's Remuneration	113.64	–	–
- Director Sitting Fee	2.22	–	–
- Employee Benefit Exp	121.36	–	–
- Rent Paid	0.22	–	–
- Rent Received	14.08	–	–

Balance as at 31st Mar. 2017 (₹ In Lacs)

Related Party Transactions	Key Management Personnel & their relatives	Subsidiaries	Others
[A] Subsidiaries :-			
(i) AGL Industries Ltd.			
- Loans & Liabilities	–	54.39	–
- Investments	–	187.60	–
(ii) Amazoone Ceramics Ltd.			
- Loans & Advances	–	1,195.32	–
- Investment	–	993.55	–
- Trade & Other Receivables	–	200.67	–
- Trade & Other Payables	–	1,152.18	–
(iii) Kediya Ceramics			
- Investment	–	670.62	–

Notes to Financial Statements for the year ended March 31, 2017

Note : OTHER NOTES

Balance as at 31st Mar.2017 *(₹ In Lacs)*

Related Party Transactions	Key Management Personnel & their relatives	Subsidiaries	Others
[B] Step Subsidiaries :-			
(i) Powergrace Industries Ltd.			
- Trade & Other Receivables	–	165.63	–
- Trade & Other Payables	–	0.84	–
(ii) Crystal Ceramic Industries P Ltd.			
- Loans & Advances	–	562.85	–
- Trade & Other Receivables	–	44.40	–
- Trade & Other Payables	–	2,552.81	–
[C] Associates :-			
(i) Astron Paper & Board Mill Ltd.			
- Loans & Advances	–	–	532.76
- Investments	–	–	877.50
- Trade & Other Payables	–	–	16.37
(ii) Affil Vitrified Pvt. Ltd.			
- Trade & Other Receivables	–	–	0.13
- Trade & Other Payables	–	–	1,563.10
[D] Joint Venture :-			
(i) AGL Panaria Pvt Ltd.			
- Investments	–	–	641.65
- Trade & Other Receivables	–	–	820.24
- Trade & Other Payables	–	–	18.69
[E] Partnership Firm & LLP :-			
(i) AGL Developers			
- Trade & Other Payables	–	–	72.00
(ii) Aryan Buildspace LLP			
- Trade & Other Receivables	–	–	0.17
[F] Directors, Key Managerial, & Relatives :-			
- Trade & Other Receivables	3.52	–	–

Balance of Guarantees as at 31st Mar.2017 *(₹ In Lacs)*

Related Party Transactions	Key Management Personnel & their relatives	Subsidiaries	Others
[A] Step Subsidiaries :-			
(i) Crystal Ceramic Industries P Ltd.			
- Corporate Guarantees	–	16,600.00	–

Notes to Financial Statements for the year ended March 31, 2017

Note : OTHER NOTES

44. Information Under Section 186(4) of the Companies Act.2013

A Loans Given

There are no loans besides those shown in note no. 43

B. Investment

There is no investment besides those shown in note no. 43

C Guarantee Given

Guarantee given to subsidiary companies shown in note no. 43 (Purpose of Business Support)

45. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in MCA notification G.S.R. 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given Below

Details	SBN's	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	–	51,67,443	51,67,443
(+) Withdrawal from Bank A/c	–	7,70,000	7,70,000
(+) Receipts for Permitted transactions	–	8,12,693	8,12,693
(-) Paid for permitted transactions	–	60,32,692	60,32,692
(-) Deposited in bank accounts	–	–	–
Closing cash in hand as on 30.12.2016	–	7,17,444	7,17,444

* For the purpose of this clause, the term "Specified bank Notes" shall have the same meaning provided in the notification of Government of India, in the Ministry of Finance, Department of Econonmic Affairs number S.O. 3407(E), dated 8th November, 2016.

46. Contingent Liabilities :-

In view of the Accounting Standard issued by ICAI "Provisions and Contingent Liabilities" (AS-29), following contingent liabilities have been identified which have not been provided for in the books of accounts. *(Amount in Lacs)*

Particulars	As at 31st March, 2017	As at 31st March, 2016
A. Contingent Liabilities		
Bank Guarantee	1,848.57	2,135.93
Corporate Guarantee	16,600.00	–
- Claims against the Company / Disputed Liabilities not acknowledged as Debts		
- In respect of Sales Tax demands	376.26	223.19
- In respect of Excise Duty claim by DGCEI-Ahmedabad	2043.18	2043.18
- In respect of Excise Duty claim by DGFT	167.97	304.31
- In respect of pending Income tax demand	2,979.52	2,979.52
- In respect of pending Professional Tax	15.96	–
- In respect of Consumer / Legal Cases	14.82	23.38
B. Commitments		
- Letters of Credit opened with Bank	816.38	127.77

The Company has filed appeal before The Joint Commissioner of Commercial Tax – Appeals for demand of Sales Tax of ₹ 45.08 lacs and ₹ 19.63 lacs for the financial year 2003-04 & 2004-05 respectively. The Dispute is regarding set off against the purchase of fuel not allowed by the Sales tax Department. However, Gujarat High Court has given the decision in favour of M/s Ami pigment Ltd and hence the Company has filed appeal on the basis of this decision

The Company has also filed first appeal before The Joint Commissioner of Commercial Tax–Indor against demand of CST for ₹176.37 Lacs for the financial year 2014-15 for pending "C" forms

The Company has received demand notice from The Assistant Commissioner of Commercial Tax for ₹ 134.32 Lacs under The Tamilnadu Value Added Tax Act,2006. And ₹ 0.88 Lacs under the CST Act.

Notes to Financial Statements for the year ended March 31, 2017

Note : OTHER NOTES

The Company has received demand regarding Professional tax of ₹ 15.96 Lacs

Disputed Income Tax Liability of ₹ 2746.20 Lacs for various Asst. Years for which department has preferred appeals at higher levels. Out of these, Liabilities to the extent of ₹ 192.74 Lacs have remained pending after CIT (Appeals) order effect. The Company has already paid ₹ 192.74 Lacs towards remaining disputed liabilities and there is no disputed amount remains unpaid. Company has preferred an appeal before Gujarat High court.

Disputed Income tax Liability of ₹ 336.68 Lacs for A.Y.2006-07 Re-Assessment for which Company has preferred an appeal before the Income Tax Appellate Tribunal – Ahmedabad Benches

Disputed Income tax Liability of ₹ 19.40 Lacs of A.Y. 2010-11 for which the Company has preferred an appeal before the Income Tax Appellate Tribunal – Ahmedabad Benches

Disputed Income tax Liability of ₹ 27.66 Lacs of A.Y. 2011-12 for which the Department has preferred an appeal before the Income Tax Appellate Tribunal – Ahmedabad Benches.

Disputed Income tax Liability of ₹ 10.14 Lacs of A.Y. 2012-13 for which the Company has preferred an appeal before the Income Tax Appellate Tribunal – Ahmedabad Benches.

Disputed Income tax Liability of ₹ 32.18 Lacs of A.Y. 2013-14 for which the Department has preferred an appeal before the Income Tax Appellate Tribunal – Ahmedabad Benches.

47. Financial & Derivative Instruments :- (AS-31)

A. The outstanding position of derivatives instruments as on 31-03-17

(₹ In Lacs)

Particulars	As at 31st March, 2017
Forward Contract	
- Payables	3,020.50
- Receivables	69.20
Currency Swap*	350.00

Note :

-*Above mentioned currency swap instrument is against term loan availed from SBI.

- The Company enters into derivative contracts strictly for hedging purposes and not for trading or speculation.

B. The details of foreign currency exposures those are not hedged by a derivate instrument i.e. forward contract are as under:

(₹ In Lacs)

Nature	Currency	31st March, 2017		31st March, 2016	
		Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency
Buyer's Credit	Euro	160.51	2.31	173.74	2.31
	USD	444.36	6.85	215.31	3.25

A. L. THAKKAR & CO.
Chartered Accountants

SANJIV SHAH
Partner
Membership No. 42264

Place : Ahmedabad
Date: 30.05.2017

For and on Behalf of
ASIAN GRANITO INDIA LIMITED

Renuka Upadhyay	Kalidasbhai J. Patel	Kamleshbhai B. Patel	Mukeshbhai J. Patel
Company Secretary	*Chief Financial Officer*	*Chairman & Managing Director* [DIN No. : 00229700]	*Managing Director* [DIN No. : 00406744]

CONSOLIDATED FINANCIALS

Independent Auditor's Report on Consolidated Financial Statements

To the Members of
Asian Granito India Limited

Report on the Financial Statements :-

We have audited the accompanying consolidated financial statements of ASIAN GRANITO INDIA LTD. ("the Company"). Which comprise the Balance sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements :-

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the companies Act, 1956 of India (the "Act"), read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility :-

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing and other applicable authoritative pronouncements issued by the institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error, In making those risk assessments, the auditor consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion :-

1. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, as notified by the Companies (Accounting Standard) Rules, 2006.
2. We further report that on the basis of the information and explanations given to us, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :-
   - i) In the case of the balance sheet, of the state of affairs of the Company as at 31 March 2017.
   - ii) In the case of the statement of profit and loss, of the profit for the year ended on that date ; and
   - iii) In the Case of the cash flow statement, of the cash flows for the year ended on that date.

For A. L. Thakkar & Co
Chartered Accountants
Firm Regi. No. 120116W

Sanjiv V Shah
Partner
Membership No.042264

Place: Ahmedabad
Date: 30.05.2017

Consolidated Balance Sheet as at 31 March 2017

(Amount in Lacs)

Particulars	Notes	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
1 Share holders Funds:			
(a) Share Capital	2	3,008.74	2,258.25
(b) Reserve & Surplus	3	37,095.73	33,308.78
(b) Share Suspense Account			750.49
		40,104.47	36,317.52
Minority Interest		2,206.59	1,865.51
2 Non-Current Liabilities			
(a) Long-Term Borrowings	4	12,717.00	11,834.38
(b) Deferred Tax Liabilities (Net)	5	3,360.74	3,010.69
(c) Other Long Term Liabilities	6	2,970.80	2,740.02
(d) Long-Term Provisions	7	15.58	12.37
		19,064.12	17,597.46
3 Current Liabilities			
(a) Short-Term Borrowings	8	20,942.74	19,861.21
(b) Trade Payables	9	23,004.25	15,578.17
(c) Other Current Liabilities	10	3,476.60	3,132.16
(d) Short-Term Provisions	11	1,424.17	623.98
		48,847.76	39,195.52
Total Equity & Liabilities		110,222.94	94,976.01
ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	40,073.21	38,621.72
(ii) Intangible Assets	12	459.07	557.04
(iii) Capital work-in-progress	12	110.42	593.91
(b) Non Current Investments	13	1,651.98	1,306.65
(c) Long term loans and advances	14	2,049.16	2,398.50
(d) Other non-current assets	15	2,088.85	2,576.73
		46,432.69	46,054.55
2 Current Assets			
(a) Inventories	16	27,335.73	24,506.80
(b) Trade receivables	17	31,103.71	19,657.62
(c) Cash and cash equivalents	18	1,857.51	1,730.20
(d) Short-term loans and advances	19	3,263.55	2,793.29
(e) Other current assets	20	229.75	233.55
		63,790.25	48,921.46
Total Assets		110,222.94	94,976.01
Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Financial Statements

In terms of our report of even date attached

A. L. THAKKAR & CO.
Chartered Accountants

For and on Behalf of
ASIAN GRANITO INDIA LIMITED

SANJIV SHAH
Partner
Membership No. 42264

Renuka Upadhyay
Company Secretary

Kalidasbhai J. Patel
Chief Financial Officer

Kamleshbhai B. Patel
Chairman & Managing Director
[DIN No. : 00229700]

Mukeshbhai J. Patel
Managing Director
[DIN No. : 00406744]

Place : Ahmedabad
Date: 30.05.2017

Consolidated Statement of Profit and Loss for the year ended 31 March 2017

(Amount in Lacs)

Particulars	Notes	As at 31st March, 2017	As at 31st March, 2016
1 REVENUE			
Revenue from operations (net)	21	106,595.13	99,390.01
Other Income	22	357.00	136.66
Total Revenue		**106,952.13**	**99,526.67**
2 EXPENSES			
Cost of materials consumed	23	27,485.99	23,710.99
Purchase of Stock-in-Trade		34,209.18	38,674.36
Change in inventories of finished goods, work-in-progress and stock-in-Trade	24	(2,576.37)	(861.00)
Employee Benefit Expense	25	7,137.20	5,886.33
Finance Costs	26	3,948.24	2,911.10
Depreciation and Amortization Expense	27	3,445.40	2,754.91
Power & Fuels	28	14,142.88	12,791.17
Other Expenses	29	13,841.20	10,105.18
Total Expenses		**101,633.72**	**95,973.04**
3 Profit before exceptional and extraordinary items and tax		**5,318.41**	**3,553.63**
4 Exceptional / Extraordinary items			**52.14**
5 Profit before tax		**5,318.41**	**3,501.49**
6 Tax expense :			
(1) Current tax		1,283.01	671.37
(2) Income tax of Earlier Years		22.18	68.10
(2) Deferred tax		350.12	583.05
(3) MAT Credit Entitlement		(317.60)	(195.43)
7 Profit After tax before share of results of associates and minority interest		**3,980.70**	**2,374.40**
Share of net profit of associates		271.83	217.76
8 Profit after tax before minority interest		**4,252.53**	**2,592.16**
Less : Minority interest		341.08	166.26
9 Profit for the period		**3,911.45**	**2,425.90**
Earnings Per Equity Share (₹)			
Basic & Diluted		13.00	8.60
Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Financial Statements

In terms of our report of even date attached

A. L. THAKKAR & CO.
Chartered Accountants

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ASIAN GRANITO INDIA LIMITED

SANJIV SHAH
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Chairman & Managing Director
[DIN No. : 00229700]

Mukeshbhai J. Patel
Managing Director
[DIN No. : 00406744]

Place : Ahmedabad
Date: 30.05.2017

Consolidated Cash Flow Statement for the year ended 31 March 2017

(Amount in Lacs)

Particulars		2016-17	2015-16
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit / (Loss) before taxation and Extra-ordinary items		5,318.41	3,501.49
Adjustment for :			
Depreciation		3,445.40	2,754.91
Loss / (Profit) on Discarded Fixed Assets (net)		(218.18)	(3.06)
Interest Paid		3,948.24	2,911.10
Other Income Received		(357.00)	(136.66)
Operating Profit / (Loss) before working Capital changes		12,136.87	9,027.78
Changes in working Capital			
Adjustment for :			
Increase / (Decrease) in Trade & Other Payables		9,278.64	3,433.81
(Increase) / Decrease in Trade & Other Receivables		(11,075.33)	(4,465.26)
(Increase) / Decrease in Inventories		(2,828.93)	(5,385.63)
Cash generated from operations Before Income Tax Paid		7,511.25	2,610.69
Direct Taxes Paid		(987.59)	(544.04)
Net Cash Generated from / used in Operating Activities	[A]	6,523.66	2,066.65
B. CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of Fixed Assets		(4,702.14)	(22,349.25)
Sales of Fixed Assets		604.89	126.69
Sales / (Purchase) in Investments		(73.50)	(34.19)
Other Income Received		357.00	136.66
Net Cash Flow from Investing Activities	[B]	(3,813.75)	(22,120.09)
C. CASH FLOW FROM FINANCING ACTIVITIES :			
Addition to / (Repayment of) Long Term Borrowings		408.68	11,188.76
Addition to / (Repayment of) Short Term borrowings		1,081.53	4,805.87
Interest Paid		(3,948.24)	(2,911.10)
Increase / (Reduction) in Share Suspense Account		–	750.49
Increase / (Reduction) in Reserve & Surplus		56.55	5,889.74
Adjustment Relating to Demerger		–	(26.49)
Adjustment Relating to Deffered Tax Liablity		(0.07)	616.70
Apportion to Partners Capital Account		–	(2.12)
Interim Dividend On Equity Shares		(150.44)	–
Tax On Dividend		(30.62)	–
Net Cash Generated from Financing Activities	[C]	(2,582.61)	20,311.85
Net Increase/(Decrease) in Cash and Cash Equivalents during the year	[A+B+C]	127.31	258.41
Cash and Cash Equivalents			
Opening			
Cash On Hand		81.77	49.55
Bank Balance		1,648.43	1,422.25
		1,730.20	1,471.80
Closing			
Cash On Hand		68.78	81.77
Balance with Bank		1,788.73	1,648.43
		1,857.51	1,730.20
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		127.31	258.41

The accompanying Notes are an integral part of the Financial Statements

In terms of our report of even date attached

A. L. THAKKAR & CO.
Chartered Accountants

For and on Behalf of
ASIAN GRANITO INDIA LIMITED

SANJIV SHAH
Partner
Membership No. 42264

Renuka Upadhyay
Company Secretary

Kalidasbhai J. Patel
Chief Financial Officer

Kamleshbhai B. Patel
Chairman & Managing Director
[DIN No. : 00229700]

Mukeshbhai J. Patel
Managing Director
[DIN No. : 00406744]

Place : Ahmedabad
Date: 30.05.2017

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note : 1 SIGNIFICANT ACCOUNTING POLICIES :-

The Significant accounting policies to the extent applicable the companies are as under:

(i) Principles of Consolidation :-

The consolidated financial statements relate to ASIAN GRANITO INDIA LIMITED ("the Company") and its subsidiary companies, associates and joint ventures. The Consolidated Financial Statements have been prepared on the following basis:

1. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together with the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements".
2. Interest in Joint ventures has been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 – "Financial Reporting of Interest in Joint Venture".
3. As far as possible the consolidated financial statement have been prepared using uniform accounting policies for like transactions and in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.
4. The difference between the cost of investments in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
5. Investment in Associates Companies has been accounted under the equity method as per Accounting Standard (AS) 23 – "Accounting for investment in Associates in Consolidated Financial Statement".
6. The difference between the cost investments in the associates and the share on net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
7. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
8. Notes to the consolidated financial statements, represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the consolidated financial statement. Further, additional statutory information disclosed in separate financial statement of the subsidiary and/ or a parent having no bearing on the true and fair view of the consolidated financial statement has not been disclosed in the consolidated financial statements.
9. Particulars of Companies considered in the consolidated financial statements are :

Name of the Company	Subsidiary / Joint Venture / Associates	Country of Incorporation	Proportion of ownership interest
AGL Industries Limited	Subsidiary	India	100.00%
Powergrace Industries Limited	Step Subsidiary	India	98.80%
Amazoone Ceramics Ltd	Subsidiary	India	94.20%
Kediya Ceramics	Subsidiary	India	99.99%
Crystal Ceramic Industries P Ltd	Step Subsidiary	India	70.00%
AGL Panaria P Ltd	Joint Venture	India	50.00%
Astron Paper & Board Mill Limited	Investment	India	27.00%

(ii) System of Accounting :-

The Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act,2013 ("the 2013 Act"). The financial statements are prepared on accrual basis under the historical cost conversation. The financial statements are prepared in Indian rupees rounded off to the nearest rupees in Lacs.

(iii) Use of Estimates :-

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to the contingent liability as at the date of the financial statements and reported amounts of income and expenses like provision useful lives of fixed assets, provision for taxation and provision of employee benefits, etc., during the period. Management believes the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note : 1 SIGNIFICANT ACCOUNTING POLICIES :- *(contd...)*

(iv) Revenue Recognition :-

All known income and expenditure quantifiable till the date of finalization of accounts are accounted on accrual basis when virtual certainty is established.

Sales of products is recognized when property in the goods with all risk rewards and effective control of goods usually associated with ownership are transferred to buyer at price includes insurance, freight etc. but excludes Excise, VAT and Sales Return if any and adjusted for discounts.

The presentation of financial statements require estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

(v) Fixed Asset :-

Tangible Assets:-

Cost of Fixed assets comprises of its purchase price including import duties and other non refundable taxes or levies, expenditure incurred in the course of construction or acquisition and any directly attributable costs of bringing the asset to its working condition for the purpose of use for the business.

CENVAT Credit available on Capital goods has been reduced from cost of purchases of fixed assets and depreciation thereon has been calculated on the balance amount net off CENVAT credit available.

Capital Work in progress comprises of cost of capital expenditure incurred for the proposed machinery which is yet to put to use.

Intangible Assets:-

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization.

(vi) Depreciation :-

Tangible Assets :-

Depreciation is provided on straight line method based useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 expect in respect of the following assets, where useful life is different than those prescribed in Schedule II are used. Depreciation rate prescribed in Companies Act, 2013 pro-rata basis with reference to the date of acquisition/ installation. The life of assets are determined by management of the Company.

Particulars	Useful Life
Plant & Machinery - Continues Plant	11 to 21 Years
Factory Building	25 to 30 Years
Furniture & Fixture	10 to 13 Years
Computer	3 to 6 Years
Office Equipment	5 Years
Vehicle	8 Years

Intangible Assets :-

Particulars	Amortized
Brand	Over a period of 6.33 years

(vii) Investments :-

Investments are shown at their cost plus incidental expenses if any. Investments are classified as long term & Current investments. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary.

(viii) Valuation of Inventory :-

- Raw Materials	At cost or net realizable value whichever is less.
- Finished Goods	At cost or net realizable value whichever is less.
- Stores & Spares	At cost or net realizable value whichever is less.
- Fuel and Packing materials	At cost or net realizable value whichever is less.
- Work-in-progress	At Cost of production
- Stock in trade	At lower of cost or estimated realizable value.

The cost of inventory is determined on FIFO cost formula method on relevant categories of inventories after providing for obsolete, slow moving and defective inventories where ever necessary.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note : 1 SIGNIFICANT ACCOUNTING POLICIES :- *(contd...)*

CENVAT Credit / VAT Credit :

CENVAT credit / VAT credit available on stores and spares and Raw Materials reduced from cost of purchases and balance has been shown in "Loans & Advances" under Current Assets in the Balance Sheet.

The Excise duty payable on the finished goods is accounted on the clearance of goods from factory premises.

(ix) Provisions and Contingent liabilities :-

Contingent liabilities are disclosed after careful evaluation of facts and legal aspects of the matter involved.

Provisions and contingent liability are reviewed at each balance sheet date and events occurring after balance sheet date which is adjusted to reflect the current best estimates.

(x) Retirement and other Employee Benefits :-

Provident fund :-

Retirement benefits in the form of Provident Fund are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.

Leave Benefits :-

We have made provision of Leave enchased as on 31st March,2017.

Gratuity :-

During the year the Company has a scheme of Retirement Benefit namely 'Group Gratuity Fund' recognized by the Income Tax authorities. This fund is administered through Trustees and the Company's contribution thereto is charged to revenue.

(xi) Impairment of Fixed Assets :-

Factors giving rise to any indication of impairment of the carrying amounts of the Company's Assets are appraised at each Balance Sheet date to determine and provide/reverse an impairment loss. There is no impairment in the carrying amounts of Company's Assets.

(xii) Foreign currency transaction :-

Transactions in foreign Currency are recorded in rupees by applying the exchange rate at the date of the transaction and adjusted appropriately to capital or revenue, with the difference in the rate of exchange arising on actual receipt/payment during the year. .Gains or Losses on settlement of the transactions are recognized under the head foreign exchange loss/(gain) in the Profit and loss account.

Current Assets and Liabilities (monetary items) are translated at the exchange rate prevailing on the last day of the year.

The Company enters into derivative contracts strictly for hedging purposes and not for trading or speculation.

(xiii) Provision for Current and Deferred Tax :-

The tax expense comprises of Current Tax & Deferred Tax charged or credited to the profit and loss account for the year. Current Tax is calculated in accordance with the tax laws applicable to the current financial year. The deferred tax charge or credit is recognized using the tax rates applicable as on the date of balance sheet. Deferred Tax assets are recognized only if there is virtual certainty of realization of such assets. At balance sheet date, recognized and unrecognized Deferred Tax assets are reviewed.

(xiv) Borrowing Cost :-

Borrowing cost directly attributable and/or funds borrowed generally and used for the purpose of acquisition/construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized, at its capitalization rate to expenditure on that assets, for the period, until all activities necessary to prepare qualifying assets for its intended use are complete.

(xv) Branch Accounting :-

Stock transfer at various branches, are done at a rate inclusive of Excise, education cess and freight charges. When the Sales from branches effected, above transfer value is nullified. Sales values of branches are accounted inclusive of VAT / CST charged by respective branches.

(xvi) Leases :-

Where the Company is the lessee

Leases, wherein the lesser effectively retains substantially all the risks and benefits of ownership of the leases item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term as per Lease Agreement.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note : 2 SHARE CAPITAL

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
EQUITY SHARE CAPITAL		
Authorised		
3,62,50,000 (P.Y. 3,12,50,000) Eq. Shares of 10/- each	3,625.00	3,125.00
(50,00,000 Equity Shares are included on account of Amalgamation of erstwhile Artistique Ceramics Pvt.Ltd. Transferor Company)		
EQUITY SHARE CAPITAL		
Issued,Subscribed and Paid up.:		
3,00,87,446 Equite Shares of ₹ 10/- each fully paid up	3,008.74	2,258.25
(Previous Year 2,25,82,541 Equity Shares of ₹ 10/- each fully paid up)		
(75,04,905 Equity Shares are included on account of Amalgamation of erstwhile Artistique Ceramics Pvt.Ltd. Transferor Company)		
TOTAL OF SHARE CAPITAL	3,008.74	2,258.25

(2.1) The details of Equity shareholders holding more than 5% shares :

Name of the shareholder	As at 31st March, 2017	
	No. of Shares	% Held
VIGNAHARTA CERAMICS LLP	3,800,304	12.63%
KAMLESHBHAI BHAGUBHAI PATEL	3,437,448	11.42%
MUKESHBHAI JIVABHAI PATEL	2,458,319	8.17%
ASIAN OVERSEAS LLP	1,648,715	5.48%

Name of the shareholder	As at 31st March, 2016	
	No. of Shares	% Held
MUKESHBHAI JIVABHAI PATEL	1,715,619	7.60%
KAMLESHBHAI BHAGUBHAI PATEL	2,438,768	10.80%

(2.2) The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March, 2017 No. of Shares	As at 31st March, 2016 No. of Shares
Equity Shares at the beginning of the year	22,582,541	22,582,541
Add : Preferential Equity Shares issued during the year	–	–
Add: Share Allotted on account of Amalgamation	7,504,905	–
Less : Shares bought back during the year	–	–
Equity Shares at the end of the year	30,087,446	22,582,541

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note : 3 RESERVES AND SURPLUS

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Capital Reserve		
As per Last Balance Sheet	2,871.58	
Less : On Amalagamation		(272.47)
Add : On Amalagamation		3,144.05
b) Securities Premium Reserve		
As per Last Balance Sheet	7,962.98	7,313.00
Add : On Amalagamation		649.98
Closing Balance	10,834.56	10,834.56
c) General Reserve	890.00	890.00
d) Profit and Loss Account		
As per last balance sheet	21,584.22	18,518.00
Add : On Acquisition (Refer Notes to Account No. 30 (a))	56.56	668.93
Add : Transfer from Profit & Loss Account	3,911.45	2,425.90
Less : Appropriations		
Adjustments relating to Demerger	–	26.49
Interim Dividend On Equity Shares	150.44	
Tax On Dividend	30.62	
Appropiation to Partners Capital Account	–	2.12
	25,371.17	21,584.22
TOTAL OF RESERVES & SURPLUS	37,095.73	33,308.78

Note : 4 LONG-TERM BORROWINGS

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
SECURED LOANS		
Borrowings from Banks :		
Term Loan - Rupee	4,350.70	5,321.82
Term Loan - Buyers Credit	513.31	302.26
From NBFC	–	60.99
Vehicle Loans	74.94	48.56
	4,938.95	5,733.63
UNSECURED LOANS		
From NBFC	2,787.85	764.24
From Inter corporate (Other than Quasi Capital)	1,904.76	2,576.08
From Director & Inter corporate (Quasi Capital)	2,250.00	2,250.00
From Dealers & Distributers	9.50	5.00
From Directors	765.21	444.70
From Director's Relatives	60.73	60.73
	7,778.05	6,100.75
TOTAL OF LONG TERM BORROWING	12,717.00	11,834.38

4.1 Term Loan ₹ 8.51 Crore are secured by way of First Pari Passu charge over the movable & immovable properties of the Company situated at Block No.160, 147A paiki, 162 at village Dalpur, Taluka-Prantij, Disct: Sabarkantha, Gujarat, over the movable assets including Plant & Machineries situated at Survery No.16 (paiki) Village: Jawanpura, Tal: Idar, Dist: Sabarkantha, Gujarat and over the One Wind Mill No.V-20 at survey No.204/1, Paiki, Village Vanku, Tal.Abdasa, Dist: Kutch, Gujarat AND Second Pari passu

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note : 4 LONG-TERM BORROWINGS *(contd...)*

charge over entire current Assets situated at Block No.160, 147A paiki, 162 at village Dalpur, Taluka-Prantij, Disct: Sabarkantha, Gujarat and over entire current assets situated at Survery No.16 (paiki) Village: Jawanpura, Tal: Idar, Dist: Sabarkantha, Gujarat.

4.2 Term Loan ₹ 44.82 Crore are Secured By First Charge By Way Of Hyp. In Favour Of Punjab National Bank A/c IC-206 Of Land and Buidling And Plant And Machineries And Spares Situated In Survey No.544, 61/1, 63, 34, 64, 36 , Moje: Village Kaiyal, Ta: Kadi, Dist: Mehsana, Gujarat 382705.

4.3 Term Loan ₹ 2.52 Crore are secured by way of First Charge by way of Hyp. In favour of State Bank of India of the Exclusive Charge in form of Mortgage over Factory Land and Building and Hypothecation over entire P&M of the unit situated at Plot no.450, National Highway No.8, Post : Dalpur,Taluka : Prantij, Dist.Sabarkantha, Gujarat

4.4 Term Loan Buyers Credit of ₹ 2.35 Crores are secured by way of exclusive charge over imported machinery of Quartz Plant.

4.5 Vehicle loans are secured by hypothecation of vehicles in favour of Bank.

Note : 5 DEFERRED TAX LIABILITIES (NET)

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
As per Last Balance Sheet	3,010.69	1,810.94
Add : On Acquisition (Refer Notes to Account No. 30 (a))	(0.07)	148.60
Add : On Amalagamation		468.10
Add : Additional Adjustment for Current Year	350.12	583.05
TOTAL OF DEFERRED TAX LIABILITY (Net)	3,360.74	3,010.69

5.1 The Net Increase during the year in the deferred tax liability ₹ 350.05 Lacs (P.Y. ₹ 583.05 Lacs Increase) has been debited to the Statement of Profit & Loss Account.

Note : 6 OTHER LONG TERM LIABILITIES

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
TRADE SECURITY DEPOSITS	783.10	625.21
OTHERS	2,187.70	2,114.81
TOTAL OF OTHER LONG TERM LIABILITIES	2,970.80	2,740.02

Note : 7 LONG-TERM PROVISIONS

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
PROVISION FOR EMPLOYEE BENEFITS	15.58	12.37
TOTAL OF OTHER LONG TERM LIABILITIES	15.58	12.37

Note : 8 SHORT-TERM BORROWINGS

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
SECURED LOANS		
CASH CREDIT LOAN		
FROM BANK		
Rupees Loan	20,851.55	19,774.42
Foreign Currency Loan - Buyers Credit	91.19	86.79
TOTAL OF SECURED	20,942.74	19,861.21
TOTAL OF SHORT TERM BORROWING	20,942.74	19,861.21

Note : 8 SHORT-TERM BORROWINGS *(contd...)*

8.1 Working capital loans of ₹ 133.76 Crore are secured by hypothecation of present and future stock of Raw Materials,Stock in Process, Semi-finished goods, stores and spares and Book debts, receivables And second Pari Passu charge over entire movable assets and Immovable Properties of the Company situated at Block No.160, 147A paiki, 162 at village Dalpur, Taluka-Prantij, Disct:Sabarkantha, Gujarat (Vitrified/Wall /Marble Division) And Survey No.16 (paiki) , Village : Jawanpura, Taluka: Idar, District: Sabarkantha, Gujarat (Ceramic Division).

8.2 Working capital loans of ₹ 66.65 Crore are secured by hypothecation of present and future stock of Raw Materials, Stock in Process, Semi-finished goods, stores and spares and Book debts, receivables of the Company situated at Moje: Village Kaiyal, Ta: Kadi, Dist: Mehsana, Gujarat 382705.

8.3 Working capital loans ₹ 7.91 Crore are secured by hypothecation of present and future stock of Raw Materials, Stock in Process, Semi-finished goods, stores and spares and Book debts, receivables of the Company situated at Plot no. 450, National Highway No.8 , Post : Dalpur,Taluka : Prantij,Dist.Sabarkantha, Gujarat.

8.4 Working Capital Loanof ₹ 0.19 Crores is secured by way of hypothecation of the entire current assets of Company comprising, inter alia, of stocks of raw material, work in progress, finished goods, receivables, book debts and other current assets both present and future, in a form and manner satisfactory to the bank and irrevocable SBLC of Unicredit SPA, Italy for ₹ 1.67 Crores.

Note : 9 TRADE PAYABLE

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Micro, Small and Medium Enterprises	–	626.66
Others	23,004.25	14,951.51
TOTAL OF TRADE PAYABLES	23,004.25	15,578.17

8.1 The Company has not received full information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT); hence, disclosure relating to amount unpaid at year end together with interest paid/ payable have not been given based on the information so far available with the Company/identified by the Company management.

Note : 10 OTHER CURRENT LIABILITIES

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Current maturities of long term debt	1,351.45	1,825.39
Interest accrued but not due on borrowings	0.59	0.58
Unpaid Dividends **	1.01	0.54
Statutory Dues Payable	349.52	489.65
Provision for Expenses	12.15	14.03
Trade / Securities Deposit	61.76	53.50
Advance from Customer	1,558.38	621.07
Capital Creditors	1.49	4.62
Other Payables	140.25	122.78
TOTAL OF OTHER CURRENT LIABILITIES	3,476.60	3,132.16

** Unpaid dividends do not include any amounts, due and outstanding, to be credited to investor Education and protection fund.

Note : 11 SHORT-TERM PROVISIONS

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provisions for Employee Benefit	784.33	621.11
Other Provision	639.84	2.87
TOTAL OF SHORT TERM PROVISIONS	1,424.17	623.98

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note : 12 FIXED ASSETS

(Amount in Lacs)

Description	Gross Block					Depreciation / Amortization					Net Block	
	Opening As at 01-04-2016	Addition On A/c of Acquisition	Addition During the Year	Deduction During the Year	Closing As at 31-03-2017	Opening As at 01-04-2016	Addition During the Year	Addition On A/c of Acquisition	Deduction During the Year	Closing As at 31-03-2017	Closing As at 31-03-2017	Closing As at 31-03-2016
TANGIBLE ASSETS :												
Land & Land Development	862.44		2.68		865.12	–				–	865.12	862.44
Power Plant-Windmill Land	10.00				10.00	–				–	10.00	10.00
Building - Factory	10,563.94		549.72		11,113.66	2,404.84	339.63		–	2,744.47	8,369.19	8,159.10
Office & Other Building	866.36			35.84	830.52	112.99	13.64		5.45	121.18	709.34	753.37
Plant & Machinery & Elec.	44,483.97		2,878.99	267.46	47,095.51	16,829.90	2,381.33		252.95	18,958.28	28,137.22	27,654.07
Power Plant - Wind Mill	601.85		616.49	–	1,218.34	408.92	47.98			456.90	761.44	192.93
Furniture & Fixture	849.07		215.49	1.71	1,062.85	371.91	87.11		0.68	458.35	604.51	477.16
Vehicle	614.60		163.61	60.73	717.48	305.99	58.29		36.70	327.58	389.90	308.61
Office Equipment	305.47	0.22	28.54	1.07	333.17	202.04	31.77	0.07	0.60	233.28	99.89	103.43
Computers	403.92	1.80	84.32	19.90	470.15	303.33	53.31	0.42	13.50	343.56	126.58	100.59
TOTAL (A)	59,561.63	2.02	4,539.86	386.71	63,716.80	20,939.92	3,013.06	0.49	309.88	23,643.60	40,073.21	38,621.71
INTANGIBLE ASSETS :												
Software	1.75				1.75	0.63	0.30			0.93	0.82	1.12
Trade Mark	651.10				651.10	97.93	97.67			195.60	455.50	553.17
Brand	55.00				55.00	52.25	–			52.25	2.75	2.75
TOTAL (B)	707.85	–	–	–	707.85	150.81	97.97	–	–	248.78	459.07	557.04
TOTAL (A + B)	60,269.48	2.02	4,539.86	386.71	64,424.65	21,090.73	3,111.03	0.49	309.88	23,892.37	40,532.28	39,178.75
Previous Year	33,753.00	16,024.02	10,683.35	191.42	60,268.95	14,947.63	3,644.61	2,566.27	67.79	21,090.72	39,178.23	18,805.60
Capital Work-in-progress	593.91			483.49	110.42	–		–	–	–	110.42	593.91

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note : 13 NON CURRENT INVESTMENTS

(Amount in Lacs)

Particulars			As at 31st March, 2017	As at 31st March, 2016
Long Term Investments other than trade (At Cost)				
In Equity Shares of Associate Company - Un Quoted , fully paid up				
Astron paper & Board Mill Ltd.			1,226.99	1,262.66
118,50,000 Equity Shares of ₹ 10/- each [Previous Year 118,50,000 Equity Shares of ₹ 10/- each]				
Cost of acquisition (including Goodwill of ` NIL)	877.50	1,185.00		
Add/(Less):Group Share of Profit/(Losses) upto 31.03.2017	271.83	(140.10)		
In Partnership Firms				
Pooja Mines & Minerals			9.80	9.80
Investments in Mutual Funds			333.60	33.60
Investments in Government and Trust securities			81.59	0.59
TOTAL OF NON CURRENT INVESTMENT			1,651.98	1,306.65

Note : 14 LONG TERM LOANS AND ADVANCES

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
(Unsecured Considered good)		
Advance Income Tax (Net of Provision)	322.51	512.55
Others	1,726.65	1,885.95
TOTAL OF LONG TERM LOANS & ADVANCES	2,049.16	2,398.50

Note : 15 OTHER NON-CURRENT ASSETS

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Deferred Expense	224.61	399.61
Preliminary Expenses	1,864.24	2,177.12
TOTAL OF OTHER NON CURRENT ASSETS	2,088.85	2,576.73

Note : 16 INVENTORIES

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Raw Material	5,837.40	5,427.76
Packing Material	458.26	436.27
Semi Finished	59.07	254.56
Work-in-progress	3,451.12	3,046.40
Finished Goods	13,597.62	11,465.33
Stock-in-Trade	784.70	710.85
Stock of Stores & Spares	2,997.09	2,971.79
Others	–	
(a) Stock of Fuel	121.09	159.29
(b) Consumables	29.38	34.55
TOTAL OF INVENTORIES	27,335.73	24,506.80

Inventory items have been valued considering the Significant Accounting Policy No. VI disclosed in Note no. 1 to these financial statements.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note : 17 TRADE RECEIVABLES

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
(Unsecured and Considered Good)		
Over six months	3,803.34	3,618.90
Others	27,300.37	16,038.72
TOTAL OF TRADE RECEIVABLES	31,103.71	19,657.62

Note : 18 CASH AND CASH EQUIVALENTS

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance with Banks **	1,310.72	1,174.29
Cash on hand	68.78	81.77
Fixed deposits with banks	–	–
Less Than 12 Months Maturity	476.69	473.09
More Than 12 Months Maturity	1.32	1.05
TOTAL OF CASH & CASH EQUIVALENTS	1,857.51	1,730.20

** Balance with Banks includes Unpaid Dividend of ₹ 59,629 /- (Previous Year ₹ 94,791/-)

Note : 19 SHORT-TERM LOAND AND ADVANCES

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured Considered Good		
Balance with Customs, Central Excise Authorities	1,206.45	1,025.64
Deposit with Others	145.20	122.68
Prepaid Expense	259.38	178.10
Advance to Others **	1,652.52	1,466.87
TOTAL OF SHORT TERM LOANS & ADVANCES	3,263.55	2,793.29

** Advance to others includes advance to creditors

Note : 20 OTHER CURRENT ASSETS

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Miscellaneous Expenditure	189.48	191.36
Income Accrued but Not Due	2.36	4.27
Other Receivables	37.91	37.92
TOTAL OF OTHER CURRENT ASSETS	229.75	233.55

Note : 21 REVENUE FROM OPERATIONS (NET)

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Sale of Products (Gross)	114,789.65	108,561.40
Less: Excise Duty/ VAT & CST Recovered	8,465.62	9,463.77
	106,324.03	99,097.63
Other Operating revenues	271.10	292.38
TOTAL OF REVENUE FROM OPERATIONS (NET)	106,595.13	99,390.01

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note : 22 OTHER INCOME

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
From Others	45.44	95.31
From Profit on Sale of Assets	218.24	3.35
Other non-operating income	93.32	38.00
TOTAL OF OTHER INCOME	357.00	136.66

Note : 23 COST OF MATERIALS CONSUMED

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Raw Material Consumed		
Body Material,Glaze, Frits and Chemicals & Others	23,858.37	17,695.88
Packing Materials	1,714.82	1,025.63
Semi Finished Material Consumed		
Marble	1,912.80	4,989.48
TOTAL OF COST OF MATERIAL CONSUMED	27,485.99	23,710.99

Note : 24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
FINISHED GOODS		
(a) Closing Stock on hand	13,597.62	11,465.33
(b) Opening Stock	11,465.33	9,037.34
Add : On Acquisition/Amalagamation	34.49	383.22
Add : On Amalagamation		862.12
	2,097.80	1,182.65
WORK IN PROCESS		
(a) Closing Stock on hand	3,451.12	3,046.40
(b) Opening Stock	3,046.40	2,119.10
Add : On Acquisition/Amalagamation		41.97
Add : On Amalagamation		1,222.49
	404.72	(337.16)
STOCK-IN-TRADE		
(a) Closing Stock on hand	784.70	710.85
(b) Opening Stock	710.85	695.34
	73.85	15.51
TOTAL OF CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE	2,576.37	861.00

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note : 25 EMPLOYEE BENEFIT EXPENSES

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Salaries and Wages	6,699.54	5,511.69
Contribution to Provident and Other Funds	351.56	323.92
Staff Welfare Expenses	86.10	50.72
TOTAL OF EMPLOYEE BENEFIT EXPENSE	7,137.20	5,886.33

Note : 26 FINANCE COSTS

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Interest Expenses	3,663.67	2,813.05
Other borrowing costs	–	–
- Processing Fees	59.43	49.70
- Other Ancillary Cost	225.14	56.41
Applicable loss on foreign currency transactions and translation	–	(8.06)
TOTAL OF FINANCE COSTS	3,948.24	2,911.10

Note : 27 DEPRECIATION AND AMORTIZATION EXPENSE

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Depreciation Expense	3,113.52	2,566.27
Amortization Expense	331.88	188.64
TOTAL OF DEPRECIATION AND AMORTIZATION EXPENSE	3,445.40	2,754.91

Note : 28 POWER AND FUELS

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Fuel & Gas Consumed	9,073.86	8,678.50
Electricity Power Consumed	5,069.02	4,112.67
TOTAL OF POWER & FUELS	14,142.88	12,791.17

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note : 29 OTHER EXPENSES

(Amount in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
MANUFACTURING EXPENSE		
Stores Materials Consumed	3,525.61	2,702.66
Loading Unloading & Other factory overheads	1,533.93	918.66
Repairs to Buildings	35.27	28.87
Repairs to Machinery	164.96	145.05
	5,259.77	3,795.24
SALES & DISTRIBUTION EXPENSE		
Advertisement Expense	1,734.04	909.56
Excise Duty	135.57	203.15
Other Selling & Distribution Expense	4,168.60	2,958.95
	6,038.21	4,071.66
OFFICE & ADMINISTRATIVE EXPNESE		
Insurance	241.31	219.85
Rent , Rates & Taxes	440.96	405.30
Auditor's Remuneration	12.46	15.81
Director's Travelling	9.65	11.24
Travelling & Conveyance	1,100.62	897.61
Charity & Donations	66.74	5.67
Legal & Professional Fees	250.13	140.12
Loss on Sale of Assets	0.06	0.29
Misc. & General Expenses	214.14	154.11
Postage & Courier & Communiction	191.34	177.58
Printing & Stationery	39.21	24.81
Repairs & Maintenance - Others	74.85	48.66
Vehicle Repairs & Maintenance	56.81	58.58
Sundry Balance Written off	58.33	15.88
Foreign Exchange Loss / (Gain)	(213.39)	62.77
	2,543.22	2,238.28
TOTAL OF OTHER EXPENSES	13,841.20	10,105.18

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note : OTHER NOTES

30. a) AGL Industries Limited has acquired 98.80% holding in Powergrace Industries Limited as a result, "Powergrace Industries Limited" has become step subsidiary of Asian Granito India Limited.

b) The Summary of Appointed Date and Effective Dates of the Schemes are as follows.

Particulars Of Company	Status	Appointed Date	Effective Date
Powergrace Industries Limited (Subsidiary Co. of AGL Industries Limited	Step Subsidiary Co. Of AGIL	14.06.2016	14.06.2016

The effect of acquired holding of Powergrace Industries Limited on the financial position and result as included in the consolidated financial statement for the year ended on March, 2017 is as below :

[I] Balance sheet as on 31st March,2017 :- (₹ In Lacs)

Particulars	Powergrace Industries Ltd
EQUITY & LIABILITIES	
1 Share holders' Funds :	
a. Share Capital	5.00
b. Reserve & Surplus	78.50
	83.50
2 Non-Current Liabilities	
a. Long-Term Borrowings	–
b. Deferred Tax Liabilities (Net)	–
c. Other Long Term Liabilities	25.15
	25.15
3 Current Liabilities	
a. Short-Term Borrowings	–
b. Trade Payables	409.46
c. Other Current Liabilities	23.84
d. Short-Term Provisions	40.84
	474.15
Total Equity & Liabilities	582.80
ASSETS	
1 Non-Current Assets	
a. Fixed Assets	1.52
b. Deferred Tax Assets (Net)	0.00
c. Long term loans and advances	0.95
d. Other non-current assets	–
	2.47
2 Current Assets	
a. Inventories	32.28
b. Trade receivables	432.51
c. Cash and cash equivalents	81.27
d. Short-term loans and advances	34.01
e. Other current assets	0.26
	580.33
Total Assets	582.80

Note : OTHER NOTES

[II] Statement of P & L for the period of 14th June.2016 to 31st March.2017 (₹ In Lacs)

Particulars	Powergrace Industries Ltd
REVENUE	
Revenue from operations (net)	1,240.68
Other Income	0.47
Total Revenue	1,241.15
EXPENSES	
Cost of materials consumed	–
Purchase of Stock-in-Trade	938.13
Change in inventories of finished goods, work-in-progress and stock-in-Trade	2.21
Employee Benefit Expense	98.22
Finance Costs	1.59
Depreciation and Amortization Expense	0.66
Other Expenses	166.48
Total Expenses	1,207.30
Profit before exceptional and extraordinary items and tax	33.85
Exceptional / Extraordinary items	–
Profit before tax	33.85
Tax expense :	11.91
Profit for the period	21.94

31. The quantity of inventories is based upon physical verification by the management and the valuation is also based on details of cost and realizable value (wherever applicable) considering the quality & other relevant factors ascertained by management. The quantities of inventories, Sales, and purchases are taken on the basis of details worked out from the bills and the stock records maintained by the Company (wherever applicable).

32. In the opinion of the Board of Directors,
    (1) Current Assets, Loans & Advances are realizable in the ordinary course of business, at the value at which they are stated.
    (2) The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.

33. In sample sale, Only Excise Duty payable on sample sale value is charged as expenses considering no commercial value of samples.

34. Balance of Sundry creditors, debtors, debit/credit balance of loans and advances are subject to confirmation from the respective parties.

35. Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with the current year figures.

36. The Company has not received full information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 (MEMED Act); disclosure relating to amount unpaid at year end together with interest paid/payable have been given based on the information so far available with the Company/indentified by the Company management.

(₹ In Lacs)

Particulars	2016-17	2015-16
Principal amount due and remaining unpaid	–	626.66
Interest due on above and the unpaid interest	–	–
Interest paid on all delayed payments	–	–
Payment made beyond the appointed date during the Year	–	–
Interest due and payable for the period of delay other than (3) above	–	–
Interest accrued and remaining unpaid	–	–
Amount of further interest remaining due and payable in succeeding years	–	–

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note : OTHER NOTES

37. Additional Information pursuant to Para 5 of Part II of Schedule III of the Companies Act.2013

A) Value of Imports on CIF Basis :- (₹ In Lacs)

Particulars	2016-17	2015-16
Store & Spares & Capital Goods	2,163.74	1,302.88
Raw Materials	454.79	457.01
Finish Goods	2,771.55	1,790.91
Semi Finish Marble	1,390.52	4,376.68
Other	–	10.09
Total	6,780.60	7,937.57

B) Expenditure in Foreign Currency :- (₹ In Lacs)

Particulars	2016-17	2015-16
Foreign Travelling	14.453	19.34
Foreign Exhibition	21.61	18.60
Foreign Sales Commission	367.7	94.52
R & D Sample & Other Product	6.13	33.00
Branding	11.11	–

C) Earnings in Foreign Currency :- (₹ In Lacs)

Particulars	2016-17	2015-16
FOB Value of Exports (₹)	8,753.4	4,823.95

D) Auditor remunerations :- (₹ In Lacs)

Particulars	2016-17	2015-16
Statutory Audit	12.46	15.81
Tax Audit	2.56	1.00
Others	2.88	–
Total	17.89	16.81

38. Disclosure required by the AS-15 :-

A. Components of Employer (₹ In Lacs)

Particulars	31st March, 2017	31st March, 2016
Current Service cost	48.06	52.68
Net Interest Cost	3.80	0.81
Expected Return on Assets	40.24	1.59
Actuarial (gain)/and Losses	(2.27)	(1.55)
Total Employer Expense recognized in the P & L	89.83	53.53

B. Net Asset/(Liability) Recognized in Balance Sheet (₹ In Lacs)

Particulars	31st March, 2017	31st March, 2016
Present value of Defined Benefit Obligation at the end of the Period	(229.72)	(213.42)
Fair Value of Plan Assets at the end of the Period	178.55	173.89
Funded status [Surplus/(Deficit)]	(51.16)	(39.53)
Unrecognized Past Service Costs	0.00	0.00
Net Assets/(liability)recognized in Balance Sheet	(51.16)	(39.53)

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note : OTHER NOTES

C. Change in Obligation & Assets over the period ending on 31March 2017 (₹ In Lacs)

Particulars	31st March, 2017	31st March, 2016
Present value of Defined Benefit Obligation at the Beginning of the Period	215.68	185.69
Interest Cost	18.02	14.78
Employer Service Cost	48.06	52.68
Benefit Paid from Fund	(39.45)	(37.00)
Actuarial (Gain)/Loss on Obligations - Due to Change in Financial Assumptions	19.74	(1.19)
Actuarial (Gain)/Loss on Obligations - Due to Experience	10.08	(1.55)
Present value of Defined Benefit Obligation at the End of the Period	**272.14**	**213.41**

D. Change in Assets (₹ In Lacs)

Particulars	31st March, 2017	31st March, 2016
Fair Value of Plan assets at the Beginning of The period	169.74	175.54
Expected Return on Plan Assets (Para 108/109)	14.22	13.97
Actuarial Gain / (Loss)	(8.15)	(2.78)
Contributions by the Employer	42.19	24.15
Benefits payments	(39.45)	(37.00)
Fair Value of the assets at the end of the period	**178.55**	**173.88**

E. Balance Sheet Reconciliation (₹ In Lacs)

Particulars	31st March, 2017	31st March, 2016
Opening Net Asset(Liability) at the Beginning of The Period	30.07	10.14
Employer Expense	84.50	53.53
Employer Contributions	(42.19)	(24.15)
Acquisitions/business combinations	0.00	0.00
Closing Net Asset(Liability) at the End of The Period	**72.37**	**39.52**

F. The principal assumption used in determining gratuity benefit obligations for the Company's plans are shown below

Particulars	31st March, 2017	31st March, 2016
Discount rate (P78 of AS15R)	14.86%	6.83%
Expected return on assets (P107-109 AS15R)	17.52%	6.83%
Salary Increases (Para 83-91 and 120(l) AS15R)	6.00%	4.33%
Withdrawal rates	4.00%	1.67%
LIC (1994-96) Published table of Mortality Rates During Employment	Indian Assured Lives Mortality (2006-08)	
Mortality Rate After Employment	N.A.	

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note : OTHER NOTES

39. Accounting for taxes of Income :-

Deferred tax liabilities comprises of timing differences on account of following: *(₹ In Lacs)*

Particulars	31st March, 2017	31st March, 2016
Written Down Value	3,944.71	2,959.07
Deferred Expenses	(64.03)	100.27
Interest accrued but not Due	(0.01)	(0.04)
Leave Encashment & Bonus	(7.42)	(3.49)
Gratuity.	(14.64)	(8.79)
MAT Credit	(81.67)	(29.55)
Carry Forward Loss	(416.18)	(6.78)
Net Deferred Tax Liability	**3,360.74**	**3,010.69**

(a) The Provision for current taxes has been made in the account as per the provisions of Income Tax Act, 1961.

40. Earnings Per Share (EPS) :-

i) The amount used as numerator in calculating basic and diluted earnings per share is the profit after depreciation and taxes i.e. 39,11,45,192/-

ii) The number of ordinary shares used as the denominator in calculating the basic / diluted earnings per share is 3,00,87,446 i.e. weighted number of equity shares as on the date of balance sheet 31St March, 2017.

Particulars	As at 31st March, 2017	As at 31st March, 2016
Profit attributable to the Equity Shareholders (₹) (A)	3,911.45	2425.9
Weighted average No. of Equity Shares Outstanding during the year (B)	300.87	282.11
Nominal value of Equity Shares ₹	10	10
Basic / Diluted Earnings per Share (₹) (A)/(B)	13.00	8.60

41. Borrowing Cost :-

Based on the guideline principle given in Accounting standard on "Borrowing Cost" (AS-16) issued by the ICAI, the Company has capitalized ₹ Nil/-, (P.Y. ₹ Nil/-) during the year to the Fixed Assets.

42.

During the year the Company has taken short term unsecured Loan ₹ 30.09 Crore for working capital requirement against domestic receivable from Axis Bank Ltd.. Instead of showing the same under the Balance sheet head current liabilities in short term borrowing. The Company has deducted the same amount from trade receivable in current assets.

43.

As per section 135 of the Companies Act,2013, Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014, *(₹ In Lacs)*

Particulars	31st March, 2017	31st March, 2016
CSR	58.26	45.27

44. Segment Reporting :- (AS-17)

Based on the guideline principle given in Accounting standard on "Segment Reporting" (AS-17) issued by the ICAI, the Company's primary business is manufacturing of Tiles, the tiles business of the Company incorporate product groups i.e. Ceramic Tiles which mainly have similar risk and returns, accordingly there are no separate segment,

The operation of the Company is in India and all Assets and Liabilities are located in India. And analysis of the Sales by Geographical market is given below. *(₹ In Lacs)*

Location	2016-17	2015-16
India	97,971.42	94452.2
Outside India	8,623.71	4937.81
	1,06,595.13	99,390.01

Note : OTHER NOTES

45. Related Party Disclosures under :- (AS-18)

During the year the Company entered into transaction with the related parties. Those transactions along with related balances as at 31st March, 2017 and for the year ended are presented in the following.

List of related parties with whom transaction have taken place during the year along with nature and volume of transactions.

A. Relationships

Subsidiaries :-

AGL Industries Ltd.	Amazoone Ceramics Ltd.
Kediya Ceramics	–

Step Subsidiaries :-

Powergrace Industries Ltd.	Crystal Ceramic Industries Pvt Ltd.

Associates : -

Astron Paper & Board Mill Ltd.	Affil Vitrified Pvt Ltd.

Joint Venture :-

AGL Panaria Pvt Ltd.	–

Partnership Firm & LLP :-

AGL Developers	Aryan Buildspace LLP

Key Management Personnel :-

Kamleshbhai Bhagubhai Patel	Mukeshbhai Jivabhai Patel
Kalidasbhai Jivabhai Patel	Renukaben A Upadhyay

Directors : -

Bhaveshbhai Vinodbhai Patel	Kanubhai Bhikhabhai Patel
Sureshbhai Jivabhai Patel	Bhogibhai Bhikhabhai Patel

Relatives of Key Managerial Personnel:-

Hinaben Kamleshbhai Patel	Zalakben Hirenbhai Patel
Bhagubhai Punjabhai Patel	Parulben Kanubhai Patel
Hiraben Bhagubhai Patel	Sureshbhai Bhikhabhai Patel
Rajviben Kuldipbhai Patel	Asmitaben Bhaveshbhai Patel
Kuldeepbhai Rameshbhai Patel	Vinodbhai Lalabhai Patel
Bhanuben Mukeshbhai Patel	Vipulbhai Vinodbhai Patel
Dhuliben Jivabhai Patel	Alpaben Jagdishbhai Patel
Shaunakbhai Mukeshbhai Patel	Bhaveshbhai Bhogibhai Patel
Shaliniben Shaunakbhai Patel	Rameshbhai Bhikhabhai Patel
Chhayaben Sureshbhai Patel	Ankitaben Kalidasbhai Patel
Hirenbhai Sureshbhai Patel	–

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note : OTHER NOTES

B. The following transactions were carried out with related parties in the ordinary course of business:-

Transaction During The Period (₹ In Lacs)

Related Party Transactions	Key Management Personnel & their relatives	Subsidiaries	Others
[A] Associates :-			
(i) Astron Paper & Board Mill Ltd.			
- Purchase of Goods	–	–	72.19
- Interest Received	–	–	15.53
- Loan Given	–	–	399.75
- Loan Recovered	–	–	6.35
- Disinvestment	–	–	399.75
- Profit on Sale of Share	–	–	92.25
(ii) Affil Vitrified Pvt. Ltd.			
- Purchase of Goods	–	–	5,279.26
- Sale of Goods	–	–	0.13
[B] Joint Venture :-			
(i) AGL Panaria Pvt Ltd.			
- Sale of Goods	–	–	1,462.71
- Sample Exp	–	–	8.23
- Other Paid	–	–	7.83
- Rent Received	–	–	3.84
- Investment	–	–	150.00
- Advance Received	–	–	23.66
[C] Partnership Firm & LLP :-			
(i) AGL Developers			
- Advance Received against Sale	–	–	72.00
(ii) Aryan Buildspace LLP			
- Sale of Goods	–	–	84.06
[D] Directors, Key Managerial, & Relatives :-			
- Director's Remuneration	113.64	–	–
- Director Sitting Fee	2.22	–	–
- Employee Benefit Exp	121.36	–	–
- Rent Paid	0.22	–	–
- Rent Received	14.08	–	–

Note : OTHER NOTES

Balance as at 31st Mar.2017 *(₹ In Lacs)*

Related Party Transactions	Key Management Personnel & their relatives	Subsidiaries	Others
[A] Associates :-			
(i) Astron Paper & Board Mill Ltd.			
- Loans & Advances	–	–	532.76
- Investments	–	–	877.50
- Trade & Other Payables	–	–	16.37
(ii) Affil Vitrified Pvt. Ltd.			
- Trade & Other Receivables	–	–	0.13
- Trade & Other Payables	–	–	1,563.10
[B] Joint Venture :-			
(i) AGL Panaria Pvt Ltd.			
- Investments	–	–	641.65
- Trade & Other Receivables	–	–	820.24
- Trade & Other Payables	–	–	18.69
[C] Partnership Firm & LLP :-			
(i) AGL Developers			
- Trade & Other Payables	–	–	72.00
(ii) Aryan Buildspace LLP			
- Trade & Other Receivables	–	–	0.17
[D] Directors, Key Managerial, & Relatives :-			
- Trade & Other Receivables	3.52	–	–

46. Information Under Section 186(4) of the Companies Act.2013

A Loans Given

There are no loans besides those shown in note no.45

B. Investment

There is no investment besides those shown in note no.45

C. Guarantee Given

Guarantee given to subsidiary companies shown in note no.45 (Purpose of Business Support)

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note : OTHER NOTES

47. Disclosure as per Schedule III to the Companies Act,2013

(₹ In Lacs)

Name of the entity	Net assets i.e.total assets minus total liablities as at 31.03.2017		Share in profit or loss for the year 2016-17	
	As % of consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
A. Parent				
Asian Granito India Limited	89.13%	35,744.95	71.49%	2,796.20
B. Subsidiaries				
Crystal Ceramic Industries Pvt Limited	17.69%	7,096.09	28.26%	1,105.29
Amazoone Ceramics Limited	3.32%	1,330.80	4.15%	162.34
AGL Industries Limited	0.55%	220.14	0.40%	15.75
Powergrace Industries Limited	0.21%	83.51	0.56%	21.95
Kediya Ceramics	1.67%	670.39		–
C. Joint Venture				
AGL Panaria P Limited	0.07%	29.81	(3.09%)	(120.83)
D. Associate				
Astron Paper & Board Mill Ltd		–	6.95%	271.83
Total Eliminations/Minority Interest	(12.65%)	(5,071.22)	(8.72%)	(341.08)
	100.00%	40,104.47	100.00%	3,911.45

48. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in MCA notification G.S.R. 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:-

Details	SBN's	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	1,09,500	84,70,323	85,79,823
(+) Withdrawal from Bank A/c	–	20,90,000	20,90,000
(+) Receipts for Permitted transactions	–	17,81,402	17,81,402
(-) Paid for permitted transactions	50,000	93,51,576	94,01,576
(-) Deposited in bank accounts	59,500	31,340	90,840
Closing cash in hand as on 30.12.2016	–	29,58,809	29,58,809

* For the purposes of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407('E), dated 8th November, 2016.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note : OTHER NOTES

49. Contingent Liabilities :-

In view of the Accounting Standard issued by ICAI "Provisions and Contingent Liabilities" (AS-29), following contingent liabilities have been identified which have not been provided for in the books of accounts. *(Amount in Lacs)*

Particulars	As at 31st March, 2017	As at 31st March, 2016
Income Tax Appeal / Tribunal	3,008.89	3,279.53
Central Excise	2,241.04	197.86
Custom Obligation	181.72	2,347.49
Sale Tax	439.95	303.41
Legal / Consumer Cases	14.82	137.61
Corporate Guarantees	16,600.00	–
Bank Guarantees	2,799.86	3,086.79
Claim not acknowledge as Debts	114.23	–
Professional Tax	15.96	–
Letter of Credit / Buyers Credit	816.38	127.77

50. Derivative Instruments :-

A. The outstanding position of derivatives instruments as on 31-03-17 *(₹ in Lacs)*

Particulars	As at 31st March, 2017	As at 31st March, 2016
Forward Contract		
- Payables	3,020.50	–
- Receivables	69.20	–
Currency Swap*	350.00	–

Note :

- Above mentioned currency swap instrument is against term loan availed from SBI.*
- The Company enters into derivative contracts strictly for hedging purposes and not for trading or speculation.

B. The details of foreign currency exposures those are not hedged by a derivate instrument i.e. forward contract are as under: *(₹ In Lacs)*

Nature	Currency	31st March, 2017		31st March, 2016	
		Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency
Buyer's Credit	Euro	160.51	2.31	173.74	2.31
	USD	444.36	6.85	215.31	3.25

The accompanying Notes are an integral part of the Financial Statements

In terms of our report of even date attached

A. L. THAKKAR & CO.
Chartered Accountants

For and on Behalf of
ASIAN GRANITO INDIA LIMITED

SANJIV SHAH
Partner
Membership No. 42264

Renuka Upadhyay
Company Secretary

Kalidasbhai J. Patel
Chief Financial Officer

Kamleshbhai B. Patel
Chairman & Managing Director
[DIN No. : 00229700]

Mukeshbhai J. Patel
Managing Director
[DIN No. : 00406744]

Place : Ahmedabad
Date: 30.05.2017

Corporate information

BOARD OF DIRECTORS

Mr. Kamleshbhai Patel
Chairman & Managing Director

Mr. Mukeshbhai Patel
Managing Director

Mr. Sureshbhai Patel
Executive Director

Mr. Bhaveshbhai Patel
Executive Director

Mr. Kanubhai Patel
Executive Director

Mr. Bhogibhai Patel
Executive Director

Mr. Maganlal Prajapati
(resigned w.e.f. 22.01.2017)
Director

Mr. Shankarlal Patel
(resigned w.e.f. 22.01.2017)
Director

Mr. Hemendrakumar Shah
(appointed w.e.f. 20.03.2017)
Director

Dr. Satish Deodhar
(appointed w.e.f. 20.03.2017)
Director

Mr. Ajendrakumar Patel
Director

Mr. Amrutbhai Patel
Director

Mr. Premjibhai Chaudhari
Director

Dr. Indira Nityanandam
Director

CHIEF FINANCIAL OFFICER

Mr. Kalidas Patel

COMPANY SECRETARY

Mrs. Renuka A. Upadhyay

AUDIT COMMITTEE

Mr. Hemendrakumar Shah
Chairman

Dr. Satish Deodhar
Member

Mr. Kamleshbhai Patel
Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Ajendrabhai Patel
Chairman

Mr. Hemendrakumar Shah
Member

Mr. Amrutbhai Patel
Member

STAKEHOLER'S RELATIONSHIP COMMITTEE

Dr. Indira Nityanandam
Chairman

Mr. Kamleshbhai Patel
Member

Mr. Amrutbhai Patel
Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Kamleshbhai Patel
Chairman

Mr. Mukeshbhai Patel
Member

Dr. Indira Nityanandam
Member

BANKERS

State Bank of India

HDFC Bank

Indus Ind Bank

REGISTERED & CORPORATE OFFICE

202, Dev Arc, Opp. Iskon Temple,
S.G. Highway,
Ahmedabad – 380 015

Tel. 079 66125500/698
Fax. 079 66125600/66058672

Email: info@aglasiangranito.com
Web: www.aglasiangranito.com

CIN: L17110GJ1995PLC027025

PLANTS

1. Ceramic Zone, Katwad Road,
   At & Po. Dalpur,
   Taluka Prantij 383 120,
   Dist.: Sabarkantha.
2. Plot No. 767, Nr. JTI,
   Kheda- Dholka Highway,
   Vill: Radhu, Dist: Kheda
3. Behind Sardar Plant, Idar

REGISTRAR & SHARE TRANSFER AGENT

Link Intime (India) Private Limited
506-508, Amarnath Business
Centre-1 (ABC-1),
Besides Gala Business Centre,
Near XT Xavier's College Corner
Off C G Road, Ellis bridge
Ahmedabad 380006
Tel. +91 79 26465179 /86 / 87

E-mail: ahmedabad@linkintime.co.in
Web site: www.linkintime.co.in

SCRIP CODE

BSE CODE: 532888

NSE CODE: ASIANTILES

ISIN: INE022I01019

STATUTORY AUDITORS

M/s. A. L. Thakkar & Co.
Chartered Accountants
Ahmedabad

SECRETARIAL AUDITORS

M/s. Shilpi Thapar and Associates
Company Secretaries,
Ahmedabad

ASIAN GRANITO INDIA LIMITED

CIN: L17110GJ1995PLC027025
Registered Office: 202, Dev Arc, Opp. Iscon Temple, S. G. Highway, Ahmedabad - 380015
Phone: 91 79 66125500/698 Fax: 91 79 66125600/66058672
E-mail: info@aglasiangranito.com Website: www.aglasiangranito.com

ATTENDANCE SLIP

This attendance slip dully filled in is to be handed over at the entrance of the meeting hall.

DP ID**	REGD. FOLIO NO.
CLIENT ID	NO. OF SHARES HELD

Full name of the first joint-holder .....
(To be filled in if first named joint-holder does not attend the meeting)

Name of Proxy .....
(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 22nd ANNUAL GENERAL MEETING being held at H T Parekh Convention Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 on Thursday, 21st September, 2017 at 11:00 a.m.

_____
Member's / Proxy's Signature
(To be signed at the time of handing over this slip)

** Applicable to the members whose shares are held in dematerialized form.

1. Only Member/Proxy holder can attend the Meeting.
2. Electronic copy of the Annual Report for 2017 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form are being sent to the members whose email address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving the electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

ASIAN GRANITO INDIA LIMITED

CIN: L17110GJ1995PLC027025
Registered Office: 202, Dev Arc, Opp. Iscon Temple, S. G. Highway, Ahmedabad - 380015
Phone: 91 79 66125500/698 Fax: 91 79 66125600/66058672
E-mail: info@aglasiangranito.com Website: www.aglasiangranito.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): .....

Registered address: .....

E-mail Id: .....

Folio No. / Client ID No. : ..... DP ID No. .....

I / We, being the member(s) of ..... Shares of Asian Granito India Limited, hereby appoint

1. Name: ..... E-mail Id: .....

   Address: .....

   ..... Signature: .....or failing him

2. Name: ..... E-mail Id: .....

   Address: .....

   ..... Signature: .....or failing him

3. Name: ..... E-mail Id: .....

   Address: .....

   ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Thursday, 21st September, 2017 at 11.00 a.m. at H T Parekh Convention Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional3	
Ordinary Business		**For**	**Against**
1	Adoption of Financial Statements		
2	Dividend		
3	Appointment of Mr. Bhogibhai B. Patel as a Director		
4	Appointment of Auditor		
Special Business		**For**	**Against**
5	Appointment of Mr. Hemendrakumar Shah		
6	Appointment of Dr. Satish Deodhar		

Signed this ..... day of ..... 2017.

Affix Revenue Stamp

Signature of shareholder

Signature of the Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 22nd Annual General Meeting.
3. It is optional to put a (✓) in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

ROUTE MAP TO THE AGM VENUE



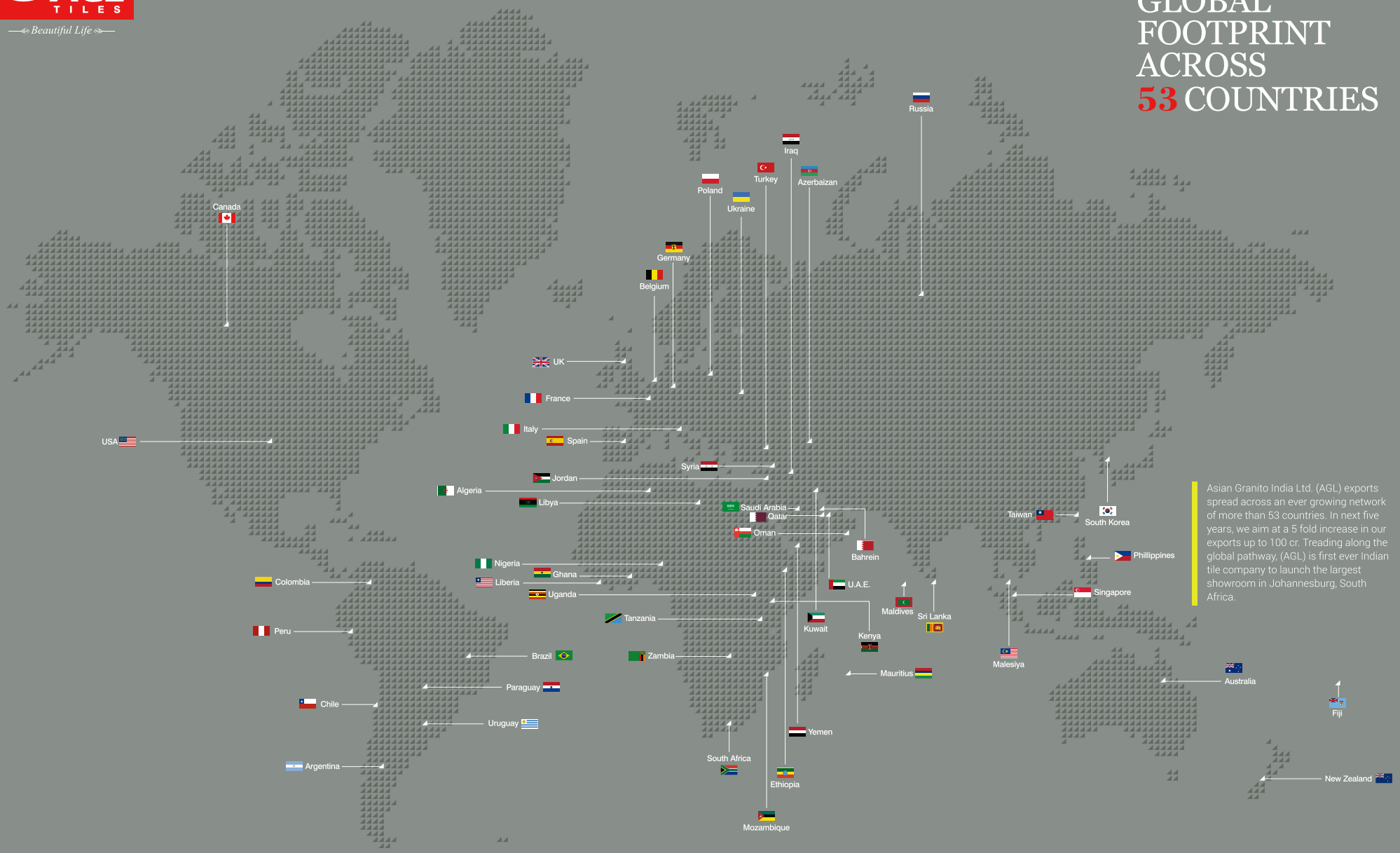
22nd Annual General Meeting
Date: 21st September, 2017
Time: 11:00A.M.

Venue:
H T Parekh Convention Hall, AMA Complex,
ATIRA, Dr. Vikram Sarabhai Marg,
Ahmedabad – 380 015

AGL TILES

Beautiful Life

GLOBAL FOOTPRINT ACROSS 53 COUNTRIES



Asian Granito India Ltd. (AGL) exports spread across an ever growing network of more than 53 countries. In next five years, we aim at a 5 fold increase in our exports up to 100 cr. Treading along the global pathway, (AGL) is first ever Indian tile company to launch the largest showroom in Johannesburg, South Africa.

www.aglasiangranito.com

Asian Granito India Ltd.

ISO 9001:2015 CERTIFIED | BUILDING EXCELLENCE Since 2000 | IS 15622 CM/L-7200092610 | CE /138 | ISO 14001:2015 CERTIFIED

AGL TILES

Beautiful Life

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CIN : L17110GJ1995PLC027025

1800 123 3455
Toll-free: Mon-Sat 10am-6pm