


# Balance Sheet

	Schedule	As at 31 March 2010	Rs. in lacs As at 31 March 2009
<b>SOURCES OF FUNDS</b>			
Shareholders' fund			
Share Capital	1	1,100.55	1,100.55
Reserves and surplus	2	47,675.14	23,952.60
		48,775.69	25,053.15
Loan funds			
Secured	3	31,026.64	43,150.54
Unsecured	4	17,889.11	3,754.82
		48,915.75	46,905.36
Deferred tax liability (net) (Refer note 8 of Schedule 20)		5,411.85	4,230.94
		103,103.29	76,189.45
<b>APPLICATION OF FUNDS</b>			
Fixed assets	5		
Gross block		101,191.13	62,677.29
Less: Accumulated depreciation and amortisation		26,611.70	22,353.71
Net block		74,579.43	40,323.58
Capital work-in-progress (including spares and capital advances)		779.26	12,515.10
		75,358.69	52,838.68
Investments	6	5,540.70	4,275.26
Current assets, loans and advances			
Inventories	7	15,658.67	14,699.64
Sundry debtors	8	13,973.72	10,277.30
Cash and bank balances	9	1,621.12	7,927.19
Other current assets	10	44.99	83.23
Loans and advances	11	7,224.12	4,030.82
		38,522.62	37,018.18
Less:			
Current liabilities and provisions	12		
a) Current liabilities		14,589.12	16,409.51
b) Provisions		1,729.60	1,533.16
		16,318.72	17,942.67
Net current assets		22,203.90	19,075.51
		103,103.29	76,189.45
Significant accounting policies	19		
Notes to the financial statements	20		

The schedules referred to above form an integral part of the financial statements


  
Ruchika Gupta  
Company Secretary

  
V. K. Ajmera  
Vice President (Corporate Finance)

  
Sandip Somany  
Joint Managing Director

For and on behalf of the Board of Directors  
  
Rajendra K Somany  
Chairman & Managing Director

This is the Balance Sheet referred to in our report of even date  
For Walker, Chandiook & Co.  
Chartered Accountants

  
Per B. P. Singh  
Partner

Place : Gurgaon  
Date : 20 May 2010

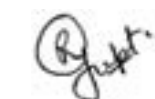
Membership No. 70116

# Profit and Loss Account

		Rs. in lacs	
	Schedule	Year ended 31 March 2010	Year ended 31 March 2009
<b>INCOME</b>			
Income from operations	13	83,572.71	66,145.74
Less: Excise duty on sale of goods		4,699.20	5,081.39
		78,873.51	61,064.35
Other income	14	1,391.71	914.53
Increase in stocks	15	1,871.81	424.44
		82,137.03	62,403.32
<b>EXPENDITURE</b>			
Goods purchased for resale		10,798.68	9,541.84
Personnel cost	16	8,239.30	6,415.06
Manufacturing, selling and general expenses	17	47,618.96	35,167.58
		66,656.94	51,124.48
Profit before interest, depreciation, amortisation and tax		15,480.09	11,278.84
Interest	18	4,008.67	1,663.64
Depreciation and amortisation	5	4,903.81	2,784.27
Profit before tax and exceptional items		6,567.61	6,830.93
Loss on foreign exchange fluctuations		-	1,153.26
Profit before tax		6,567.61	5,677.67
Tax expense:			
Current tax		1,095.15	828.39
MAT credit entitlement		(1,085.70)	-
Income tax for earlier years		-	(85.74)
Deferred tax		903.91	821.19
Fringe benefit tax		-	98.63
Profit after tax before prior period item		5,654.25	4,015.20
Prior period item			
Taxes for earlier years (refer note 22 of schedule 20)		(411.54)	-
Profit after tax and prior period item		5,242.71	4,015.20
Balance transferred from previous year		11,647.53	9,162.36
Balance available for appropriation		16,890.24	13,177.56
<b>APPROPRIATIONS</b>			
Transferred to general reserve		600.00	500.00
Proposed dividend on equity shares		1,100.51	880.41
Tax on proposed dividend		187.03	149.62
Balance carried to balance sheet		15,002.70	11,647.53
		16,890.24	13,177.56
Basic & diluted earning per share before prior period item		10.28	7.30
Basic & diluted earning per share after prior period item		9.53	7.30
(Refer note 9 of Schedule 20)			
Significant accounting policies	19		
Notes to the financial statements	20		

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The schedules referred to above form an integral part of the financial statements



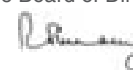
Ruchika Gupta  
Company Secretary



V. K. Ajmera  
Vice President (Corporate Finance)



Sandip Somany  
Joint Managing Director



Rajendra K Somany  
Chairman & Managing Director

For and on behalf of the Board of Directors

This is the Profit and Loss Account referred to in our report of even date  
For Walker, Chandiook & Co.  
Chartered Accountants



Per B. P. Singh  
Partner

Place : Gurgaon  
Date : 20 May 2010

Membership No. 70116

# Cash Flow Statement

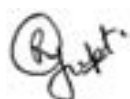
	Year ended 31 March 2010	Year ended 31 March 2009
	Rs. in lacs	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	6,567.61	5,677.67
<i>Adjustments for:</i>		
Depreciation and amortisation	4,903.81	2,784.27
(Profit)/loss on disposal of fixed assets (net)	(18.55)	(22.72)
Interest expense	4,008.67	1,663.63
Interest income	(106.16)	(62.54)
(Profit)/loss on sale of investments (net)	(0.46)	(13.22)
Bad debts and provision for doubtful debts and advances	(150.00)	51.71
Sundry balances and liabilities no longer required written back	(141.92)	(113.03)
Operating Profit before working capital changes	15,063.00	9,965.77
<i>Adjustments for :</i>		
(Increase)/ decrease in inventories	(3,250.69)	(323.32)
(Increase)/ decrease in trade/other receivable	(6,946.01)	(2,849.76)
(Decrease)/ increase in trade/other payables	(1,613.27)	6,420.72
Cash generated from operations	3,253.03	13,213.41
Direct taxes paid	(1,326.73)	(784.29)
Net cash from operating activities	1,926.30	12,429.12
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including capital work in progress	(8,646.30)	(27,859.35)
Proceeds from sale of fixed assets	147.62	110.16
Purchase of investments	(1,765.44)	(1,070.66)
[including investment in subsidiaries Rs. 1,265.39 lacs (previous year Rs. 1,070.36 lacs)]		
Sale proceeds of investments	500.46	309.61
Movement in restricted cash	(251.24)	30.67
Interest received	144.40	(10.68)
Net cash used in investing activities	(9,870.50)	(28,490.25)

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# Cash Flow Statement

	Year ended 31 March 2010	Year ended 31 March 2009
<b>Rs. in lacs</b>		
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	6,652.11	25,979.53
Repayment of long term borrowings	(4,370.46)	(2,798.34)
Proceeds from short term borrowings (net)	4,262.40	1,891.69
Interest paid	(4,135.28)	(1,307.26)
Dividend paid	(872.26)	(818.90)
Taxes on dividend	(149.62)	(140.27)
Net cash from financing activities	1,386.89	22,806.45
Net (decrease)/increase in cash and cash equivalents	(6,557.31)	6,745.32
Cash and cash equivalents in the beginning	7,589.85	844.53
Cash and cash equivalents at the close	1,032.54	7,589.85
Note:		
Cash and cash equivalents include:		
Cash and cheques in hand and remittances in transit	552.04	573.18
Balances with bank	480.50	7,016.67
Cash and cash equivalents	1,032.54	7,589.85
Balances in fixed deposit accounts - pledged	543.53	300.44
Balances in unpaid dividend accounts	44.37	36.22
Bonus fraction 2005 account	0.34	0.34
Share split fraction 2006 account	0.30	0.30
Balance in post office savings account (pledged)	0.04	0.04
Balance with bank not considered as cash equivalents	588.58	337.34
Cash and bank balances as per balance sheet	1,621.12	7,927.19

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Ruchika Gupta  
Company Secretary



V. K. Ajmera  
Vice President (Corporate Finance)



Sandip Somany  
Joint Managing Director



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Chairman & Managing Director

For and on behalf of the Board of Directors

This is the Cash Flow Statement referred to in our report of even date  
For Walker, Chandio & Co.  
Chartered Accountants



Per B. P. Singh  
Partner

Place : Gurgaon  
Date : 20 May 2010

Membership No. 70116

## Schedules forming part of the financial statements

	Rs. in lacs	
	As at 31 March 2010	As at 31 March 2009
<b>SCHEDULE - 1</b>		
Share capital		
Authorised		
100,000,000 (previous year 75,000,000) equity shares of Rs. 2 each	2,000.00	1,500.00
	2,000.00	1,500.00
Issued		
55,029,333 (previous year 55,029,333) equity shares of Rs. 2 each	1,100.59	1,100.59
	1,100.59	1,100.59
Subscribed and paid-up*		
55,025,508 (previous year 55,025,508) equity shares of Rs. 2 each fully paid-up	1,100.51	1,100.51
Add: Forfeited shares	0.04	0.04
	1,100.55	1,100.55

\*Of the above shares, 24,268,638 equity shares of Rs. 2 each (previous year 24,268,638 equity shares of Rs. 2 each) were allotted as fully paid-up by way of bonus shares by capitalisation of revenue reserves, 67,500 equity shares of Rs. 10 each fully paid-up (now stands split into 337,500 equity shares of Rs. 2 each, previous year 337,500 equity shares of Rs. 2 each) were issued to the equity shareholders of the erstwhile The Associated Glass Industries Limited pursuant to the scheme of amalgamation and 365,645 equity shares of Rs. 10 each fully paid up (now stands split into 1,828,225 equity shares of Rs. 2 each, previous year 1,828,225 shares of Rs. 2 each fully paid up) were issued to the equity shareholders of the erstwhile Krishna Ceramics Limited pursuant to the scheme of amalgamation.

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	Rs. in lacs	
	As at 31 March 2010	As at 31 March 2009
<b>SCHEDULE- 2</b>		
Reserves and surplus		
i) Capital reserve		
a) On account of amalgamation with erstwhile Krishna Ceramics Limited	3.33	3.33
b) Forfeited amount of debentures	19.97	19.97
c) Forfeited amount of upfront payment for naked warrants	97.50	97.50
	120.80	120.80
ii) Central subsidy reserve	25.00	25.00
iii) Securities premium account		
As per last year	6,840.63	6,840.63
	6,840.63	6,840.63
iv) General reserve		
As per last year	5,303.64	4,803.64
Add: Transferred from profit and loss account	600.00	500.00
Add: Transferred from business reconstruction reserve (refer note 21 of schedule 20)	10,000.00	-
	15,903.64	5,303.64
Note: Of the above Rs. 10,000 lacs cannot be used for issue of bonus shares and payment of dividend		
v) Capital redemption reserve	15.00	15.00
vi) Business reconstruction reserve (refer note 21 on Schedule 20)		
Revaluation of Land	23,500.00	-
Less: Transferred to profit and loss account (refer schedule 15 and 17)	3,732.63	-
Less: Transferred to general reserve	10,000.00	-
	9,767.37	-
vii) Profit and loss account		
Surplus in profit and loss account	15,002.70	11,647.53
	47,675.14	23,952.60

## Schedules forming part of the financial statements

	Rs. in lacs	
	As at 31 March 2010	As at 31 March 2009
<b>SCHEDULE - 3</b>		
Secured loans		
From banks:		
Cash credit accounts	671.50	12,043.42
Buyers credit	2,152.13	-
(Secured by hypothecation of stocks and book debts and further secured by second charge on all the fixed assets located at Bahadurgarh, Bibinagar and Sanathnagar).		
Term loans from banks*	28,197.70	31,086.85
(Term loans of Rs. 1,532.31 lacs [Previous year Rs. 4,653.65 lacs] are payable within one year)		
Car finance loans from banks	5.31	20.27
(Secured by hypothecation of vehicles financed out of proceeds of loans)		
(Amount payable within one year Rs. 4.47 lacs (previous year Rs. 14.16 lacs))		
	<b>31,026.64</b>	<b>43,150.54</b>

**\*Notes:-**

- 1) Term loan includes External Commercial Borrowings (ECB) loans of Hongkong and Shanghai Bank Corporation, CITI Bank and Standard Chartered Bank are secured by way of hypothecation of the whole of fixed assets including movable plant & machinery, machine spares, tools and accessories (both present and future) pertaining to the glass divisions of Company located at Sanathnagar and Bhongir and further secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties of glass divisions of the Company located at Sanathnagar and Bhongir.
- 2) Rupee term loan from :
  1. Andhra Bank: Term loan is secured by way of hypothecation of the whole of fixed assets including movable plant & machinery, machine spares, tools and accessories (both present and future) pertaining to the ceramic division of Company located at Bibinagar, District Nalgonda, Andhra Pradesh and secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties of ceramic division located at Bibinagar, District Nalgonda, Andhra Pradesh and Gurgaon office of the Company.
  2. Dhanalakshmi Bank Ltd: Term loan is secured by way of hypothecation of the whole of fixed assets including movable plant & machinery, machine spares, tools and accessories (both present and future) pertaining to the ceramic division of Company located at Bahadurgarh, District Jhajjar, Haryana and further to be secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties of ceramic division of the Company located at Bahadurgarh, District Jhajjar, Haryana.
  3. DBS Bank Ltd: Term loan is secured by way of hypothecation of the whole of vacant freehold land located at Sitarampur, Isnapur, PO Medak District, Andhra Pradesh, near Hyderabad and further to be secured by first pari-passu charge by way of mortgage of deposit of title deeds of the Company.

## Schedules forming part of the financial statements

	Rs. in lacs	
	As at 31 March 2010	As at 31 March 2009
<b>SCHEDULE - 4</b>		
Unsecured loans		
Short term		
Trade deposits from dealers	736.56	692.91
From banks:		
Commercial paper	8,000.00	-
Supplier bills discounted	-	51.39
Export packing credit	-	510.07
Short term loans	6,000.00	-
Other		
Deferred sales tax credit	3,152.55	2,500.45
	17,889.11	3,754.82

### Notes:

- 1 Maximum amount outstanding on commercial paper during the year Rs. 8,000 lacs (previous year Rs. 6,000 lacs).
- 2 The amount of deferred sales tax credit is subject to assessment by sales tax authorities.
- 3 As per agreement with Commercial Tax Department, Hyderabad, deferred sales tax credit relating to the glass division located at Sanathnagar amounting to Rs. 1,545.48 lacs (previous year Rs. 1,138.25 lacs) and ceramic division located at Bibinagar amounting to Rs. 1,607.07 lacs (previous year Rs. 1,362.20 lacs) is secured against the moveable and immoveable properties of the Company. However, the charge is not yet been registered with the Registrar of Companies, West Bengal.

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# Schedules forming part of the financial statements

SCHEDULE - 5	Fixed Assets						Gross block			As at 31 March 2010			Depreciation/ amortisation			Net block		
	As at 01 April 2009			Addition during the year			Sales/ Revaluation Adjustment			As at 31 March 2010			For the year			As at 31 March 2010		
	As at 01 April 2009	As at 01 April 2009	As at 01 April 2009	As at 01 April 2009	As at 01 April 2009	As at 01 April 2009	As at 01 April 2009	As at 01 April 2009	As at 01 April 2009	As at 01 April 2009	As at 01 April 2009	As at 01 April 2009	As at 01 April 2009	As at 01 April 2009	As at 01 April 2009	As at 01 April 2009	As at 01 April 2009	As at 01 April 2009
Intangible																		
Trade Mark	300.00	-	-	-	-	-	-	-	300.00	-	-	-	-	-	300.00	-	-	-
Tangible																		
Land freehold	1,259.80	-	-	-	23,500.00*	-	-	-	24,759.80	-	-	-	-	-	-	-	24,759.80	1,259.80
Land leasehold	30.00	-	-	-	-	-	-	30.00	30.00	1.00	3.55	26.45	27.45	3.55	26.45	27.45	26.45	27.45
Building	14,047.13	1,627.05	-	-	-	-	-	15,674.18	15,674.18	380.74	2,081.33	13,592.85	12,346.54	2,081.33	13,592.85	12,346.54	13,592.85	12,346.54
Leasehold improvements	10.44	-	-	-	-	-	-	10.44	10.44	0.17	0.51	9.93	10.10	0.17	9.93	10.10	9.93	10.10
Plant and machinery	43,179.03	13,322.22	172.14	-	-	-	-	56,329.11	56,329.11	4,017.94	22,673.34	33,655.77	24,363.07	4,017.94	33,655.77	24,363.07	33,655.77	24,363.07
Vehicles	1,109.01	386.37	177.03	-	-	-	-	1,318.35	1,318.35	191.61	599.60	718.75	591.96	191.61	718.75	591.96	718.75	591.96
Office equipments	384.87	92.19	39.55	-	-	-	-	437.51	437.51	22.91	123.60	313.91	265.46	22.91	313.91	265.46	313.91	265.46
Computers (including software)	1,745.82	130.21	372.46	-	-	-	-	1,503.57	1,503.57	240.89	633.06	870.51	1,008.17	240.89	870.51	1,008.17	870.51	1,008.17
Furniture and fixtures	611.19	230.69	13.71	-	-	-	-	828.17	828.17	48.55	196.71	631.46	451.03	48.55	631.46	451.03	631.46	451.03
<b>Total</b>	<b>62,677.29</b>	<b>15,788.73</b>	<b>774.89</b>	<b>23,500.00</b>	<b>101,191.13</b>	<b>101,191.13</b>	<b>101,191.13</b>	<b>101,191.13</b>	<b>101,191.13</b>	<b>4,903.81</b>	<b>26,611.70</b>	<b>74,579.43</b>	<b>40,323.58</b>	<b>4,903.81</b>	<b>74,579.43</b>	<b>40,323.58</b>	<b>74,579.43</b>	<b>40,323.58</b>
Previous year	44,305.23	19,805.39	1,433.33	-	62,677.29	62,677.29	62,677.29	62,677.29	62,677.29	2,784.27	22,353.71	40,323.58	40,323.58	2,784.27	40,323.58	40,323.58	40,323.58	40,323.58

\* Refer note 21 in Schedule 20

## Schedules forming part of the financial statements

	Rs. in lacs	
	As at 31 March 2010	As at 31 March 2009
<b>SCHEDULE - 6</b>		
Investments		
Long Term		
Non Trade		
i) Government securities* - unquoted:		
National Savings Certificates	1.18	1.13
ii) Fully paid-up equity shares of Rs. 10 each - quoted:		
125 (previous year 125) Neycer India Limited	0.01	0.01
50 (previous year 50) Swastik Sanitarywares Limited	0.01	0.01
Trade - unquoted (equity shares of Rs. 10 each)		
Subsidiary companies		
4,449,517 (previous year 4,301,200) AGI Glasspack Limited	1,428.46	1,280.14
9,000,000 (previous year 6,225,000) Hindware Home Retail Private Limited	3,000.00	1,890.00
50,000 (previous year 50,000) HSIL Associates Limited	5.00	5.00
5,000 (previous year 5,000) Halis International Limited, Mauritius (Fully paid up equity shares USD 1 each)	2.54	2.54
Alchemy International Cooperatief U.A. (Member's contribution)	0.12	-
Others		
804,000 (previous year 804,000) Andhra Pradesh Gas Power Corporation Ltd.	1,073.61	1,073.61
iii) Fully paid-up preference shares of USD 1 each		
Subsidiary companies		
60,000 (previous year 45,000) Halis International Limited, Mauritius	29.77	22.82
	5,540.70	4,275.26
Aggregate cost of quoted investments	0.02	0.02
Aggregate cost of unquoted investments	5,540.68	4,275.24
* Deposited with government departments	0.52	0.52

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During the year, the following current investments were purchased and sold:

- 1) 526,465.416 units of Reliance Medium Term Fund - Retail Plan- Growth Plan Option purchased at cost of Rs. 100.00 lacs and sold at Rs. 100.14 lacs
- 2) 789,602.514 units of Reliance Medium Term Fund - Retail Plan- Growth Plan Option purchased at cost of Rs. 150.00 lacs and sold at Rs. 150.20 lacs
- 3) 1,314,094.983 units of Reliance Medium Term Fund - Retail Plan- Growth Plan Option purchased at cost of Rs. 250.00 lacs and sold at Rs. 250.12 lacs

## Schedules forming part of the financial statements

	Rs. in lacs	
	As at 31 March 2010	As at 31 March 2009
<b>SCHEDULE - 7</b>		
Inventories		
(As taken, valued and certified by the management)		
Stores, spares and packing materials	2,522.93	1,977.49
Raw materials and components	1,224.22	1,268.96
Stock-in-process	499.36	333.43
Goods in transit*	72.12	105.51
Finished goods including goods purchased for sale	11,340.04	11,014.25
	<b>15,658.67</b>	<b>14,699.64</b>

\* Includes raw materials and components Rs. 30.06 lacs (previous year Rs. 105.51 lacs) and stores and spares Rs. 42.06 lacs (previous year Nil).

	Rs. in lacs	
	As at 31 March 2010	As at 31 March 2009
<b>SCHEDULE - 8</b>		
Sundry debtors		
(Unsecured unless otherwise stated)		
Debts outstanding for a period exceeding six months:		
Considered good		
Secured	-	29.43
Others	46.53	703.55
Considered doubtful	73.50	667.01
Other debts:		
Considered good		
Secured	339.48	271.75
Others	13,587.71	9,272.57
Considered doubtful	414.24	-
	14,461.46	10,944.31
Less: Provision for doubtful debts	487.74	667.01
	<b>13,973.72</b>	<b>10,277.30</b>

## Schedules forming part of the financial statements

	As at 31 March 2010	Rs. in lacs As at 31 March 2009
<b>SCHEDULE - 9</b>		
Cash and bank balances		
Cash in hand	34.67	28.06
Remittance-in-transit	517.37	545.12
Balances with scheduled banks in:		
Current accounts	148.17	274.42
Deposit accounts *	875.86	7,042.69
Unpaid dividend accounts	44.37	36.22
Bonus fraction 2005 account	0.34	0.34
Share fraction 2006 account	0.30	0.30
With post office in savings account (pledged)	0.04	0.04
	1,621.12	7,927.19

\* Rs. 543.53 lacs (previous year Rs. 300.44 lacs) are pledged with banks as margin money

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	As at 31 March 2010	Rs. in lacs As at 31 March 2009
<b>SCHEDULE - 10</b>		
Other current assets		
Interest accrued but not due on loans and deposits	44.99	83.23
	44.99	83.23

	As at 31 March 2010	Rs. in lacs As at 31 March 2009
<b>SCHEDULE - 11</b>		
Loans and advances (Unsecured, considered good except where otherwise stated)		
Advance recoverable in cash or in kind or for value to be received (including Rs. 26.89 lacs (previous year Rs. 26.89 lacs) considered doubtful of recovery)	3,447.07	1,520.68
Balance with excise/sales tax authorities	2,127.69	2,128.81
Deposits	590.55	408.22
MAT credit entitlement	1,085.70	-
	7,251.01	4,057.71
Less: Provision for doubtful advances	26.89	26.89
	7,224.12	4,030.82

Advance recoverable in cash or in kind includes share application money amounting Rs. 779.96 lacs (previous year Nil) given to Halis International Limited, Mauritius, wholly owned subsidiary of the Company.

## Schedules forming part of the financial statements

	Rs. in lacs	
	As at 31 March 2010	As at 31 March 2009
<b>SCHEDULE - 12</b>		
Current liabilities and provisions		
a) Current liabilities		
Acceptances	478.06	2,885.24
Sundry creditors for goods, services and expenses		
Due to micro, small and medium enterprises (refer note 5 of schedule 20)	58.79	10.46
Others	9,736.08	9,615.76
Interest accrued but not due on loans	249.63	376.24
Advances against sales/ orders	333.73	562.88
Investor education and protection fund**		
Unclaimed dividend	44.37	36.22
Unclaimed share fraction 2006	0.30	0.30
Unclaimed bonus fraction 2005	0.34	0.34
Other liabilities*	3,687.82	2,922.07
b) Provisions	14,589.12	16,409.51
Employee benefits	297.32	261.37
Income tax (including fringe benefit tax) (net of advance payment of Rs. 3,701.88 lacs, previous year Rs. 3,870.56 lacs)	144.74	241.76
Proposed dividend	1,100.51	880.41
Tax on proposed dividend	187.03	149.62
	<u>1,729.60</u>	<u>1,533.16</u>
	16,318.72	17,942.67

\* Including excise duty payable Rs. 1,120.87 lacs ( previous year Rs. 780.27 lacs) on finished goods lying at Company's bonded warehouses.

\*\* Not due for deposit

## Schedules forming part of the financial statements

	Rs. in lacs	
	Year ended 31 March 2010	Year ended 31 March 2009
<b>SCHEDULE - 13</b>		
Income from operations		
Sale of goods (net of returns)		
Domestic		
Sanitaryware, fittings and glassware	77,645.08	59,781.31
Export		
Sanitaryware, fittings and glassware	5,575.24	6,066.39
(including deemed exports of Rs. 3,221.93 lacs (previous year Rs. 2,802.43 lacs))	83,220.32	65,847.70
Others		
Scrap and other sales	352.39	298.04
	352.39	298.04
	83,572.71	66,145.74

	Rs. in lacs	
	Year ended 31 March 2010	Year ended 31 March 2009
<b>SCHEDULE - 14</b>		
Other income		
Operating income		
Export incentives	352.32	79.59
Sundry balances and liabilities no longer required written back	141.92	113.03
Foreign exchange gain	295.19	304.41
Insurance claims received	142.67	141.91
Annual maintenance charges	21.57	-
Service charges	10.03	-
Provision for doubtful debts written back	150.00	-
Miscellaneous receipts	118.70	100.46
Total operating income	1,232.40	739.40
Non-operating income		
Rent received *	24.13	64.52
Interest income (gross) on: *		
- Loans to body corporates	0.20	1.03
- Deposits	62.02	18.40
- Margin money	27.34	19.73
- Dealers	16.60	23.38
Profit on sale of investments in liquid mutual funds (non trade - unquoted)	0.46	13.22
Profit on disposal of fixed assets	28.56	34.85
Total non-operating income	159.31	175.13
Total other income	1,391.71	914.53
* Income tax deducted at source	16.15	24.27

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## Schedules forming part of the financial statements

	Rs. in lacs	
	Year ended 31 March 2010	Year ended 31 March 2009
<b>SCHEDULE - 15</b>		
Increase in stocks		
Opening stocks		
Finished goods including goods purchased for resale	11,014.25	11,006.69
Stock-in-process	333.43	567.58
	11,347.68	11,574.27
Less: Closing stocks		
Finished goods including goods purchased for resale	13,059.09	11,014.25
Stock-in-process	469.57	333.43
Less: Obsolete inventories written off	(2,131.99)	-
Add: Transferred from business reconstruction reserve (refer note 21 of schedule 20)	2,131.99	-
	13,528.66	11,347.68
	2,180.98	(226.59)
Less: Excise duty on increase/(decrease) in stock:		
Excise duty on opening stock	780.27	1,431.30
Less: Excise duty on closing stock	1,089.44	780.27
	309.17	(651.03)
Increase in stocks	1,871.81	424.44

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	Rs. in lacs	
	Year ended 31 March 2010	Year ended 31 March 2009
<b>SCHEDULE - 16</b>		
Personnel cost		
Salaries, wages and bonus	7,471.26	5,734.94
Contribution to provident and other funds	368.78	374.95
Staff and labour welfare expenses	399.26	305.17
	8,239.30	6,415.06

## Schedules forming part of the financial statements

	Rs. in lacs	
	Year ended 31 March 2010	Year ended 31 March 2009
<b>SCHEDULE - 17</b>		
Manufacturing, selling and general expenses		
Raw materials consumed *	13,939.09	10,016.14
Stores and spares consumed	2,843.34	2,076.83
Excise duty on stock transfers and others	99.84	84.54
Packing materials consumed	3,749.47	2,236.42
Power and fuel	16,687.09	12,336.84
Repairs to:		
Buildings	130.12	120.32
Plant and machinery (excluding stores consumption)	565.57	357.62
Other assets	201.48	184.54
Rent (including hire charges)	271.75	218.55
Rates and taxes	61.48	30.87
Directors fees	1.18	1.11
Expenditure on ceramic and applied research centre	24.67	14.12
Insurance	170.27	113.03
Travelling and conveyance	876.15	703.45
Discount	1,774.57	2,034.52
Commission on sales	249.99	163.72
Expenses on exports	391.79	707.27
Advertisement and publicity	1,040.93	919.40
Other selling and distribution expenses	3,250.02	1,754.93
Bad debts and advances written off	1,291.99	172.80
Charity and donations	60.22	10.52
Foreign exchange fluctuation	182.39	-
Loss on disposal and assets written off	69.77	12.13
Miscellaneous expenses	1,286.43	897.91
	49,219.60	35,167.58
Less: Transferred from business reconstruction reserve (refer note 21 of schedule 20)	1,600.64	-
	47,618.96	35,167.58

\* Includes accessories and fittings aggregating to Rs. 548.39 lacs (previous year Rs. 369.30 lacs)

	Rs. in lacs	
	Year ended 31 March 2010	Year ended 31 March 2009
<b>SCHEDULE - 18</b>		
Interest		
On term loans	2,846.03	897.45
Others*	1,162.64	766.19
	4,008.67	1,663.64

\* Includes Rs. 393.92 lacs (previous year Rs. 254.33 lacs) incurred on account of discounting charges of commercial paper

# Schedules forming part of the financial statements

## SCHEDULE – 19

### Significant Accounting Policies

#### 1. Basis of preparation

The financial statements are prepared on accrual basis under the historical cost convention, in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 including the Rules framed there under, except as specifically stated in note 20 in schedule 20 and also the Scheme of Arrangement as approved by the Hon'ble High Court of Calcutta. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### 2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and the disclosure relating to contingent liabilities as at the date of financial statements and reported amount of income and expenses during the period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Any revision to accounting estimates is recognised in the current and future periods.

#### 3. Revenue recognition

##### Sale of goods

Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of the goods are transferred to the customer and is stated inclusive of excise duty and net of trade discounts, sales return and sales tax wherever applicable.

##### Interest

Interest income is recognised on time proportion basis at the applicable rates.

#### 4. Export benefit/incentive

Benefit under the advance license scheme and duty free replenishment certificate are accounted for at the time of purchase of imported raw materials or sale of the license.

#### 5. Fixed assets

##### Tangible

Tangible assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price (net of cenvat credit availed) and any attributable cost of bringing the asset to its working condition for its intended use. Expenditure on account of restoration/ modification/ alteration in plant and machinery/ building, which increases the future benefit from the existing asset beyond its previously assessed standard of performance/ estimated useful life, is capitalised.

##### Intangible

Intangible assets are recognised if and only if it is probable that the future economic benefits that are attributable to the assets will flow to the Company.

#### 6. Depreciation and amortisation

##### A. Tangible

Depreciation on fixed assets has been provided on straight line method at the rates and in the manner prescribed under schedule XIV ("schedule") to the Companies Act, 1956, except the following:

- i. on assets acquired and put to use on or before 1 July 1987 in the glass division of the Company and on vehicles acquired till date in all the divisions of the Company, depreciation is provided on written down value method at the rates and in the manner prescribed in the schedule;

## Schedules forming part of the financial statements

- ii. on furnaces (included in plant and machinery) having a cost of Rs. 11,245.15 lacs used in the glass division, depreciation is provided on straight line method, as technically assessed from time to time, based on expected useful lives of the furnaces. The rate presently being 16.21% per annum which is the rate as prescribed in the schedule;
- iii. cost of leasehold improvements is depreciated over the period of the lease or estimated useful life of the leasehold improvements, whichever is lower.
- iv. pre-operative expenditure including borrowing cost (net of revenue, where applicable) and foreign exchange differences on specific project loans incurred during the construction/trial run of the project is allocated on an appropriate basis to fixed assets upon commissioning.

### B. Intangible

- i. Trademarks are being amortised over a period of ten years;
- ii. Computer software (included in Computers in Schedule 5) are amortised over a period of six years; The depreciation and amortisation rates are indicative of the expected useful lives of the assets.

### 7. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Current investments are valued at the lower of cost and fair value. Long-term investments are stated at cost.

Provision is made for diminution in the value of long-term investments to recognise a decline, if any, other than temporary in nature.

Profit/loss on sale of investments are computed with reference to their cost determined on first in first out basis.

### 8. Inventories

#### a) Inventories are valued as follows:

Stores and spares, packing materials, raw materials including components and goods in transit - At lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work-in-process - At cost up to estimated stage of completion.

Finished goods and goods purchased for resale - At lower of cost and net realisable value.

#### b) Cost of inventories is ascertained on the following basis:

Raw materials, stores and spare parts and packing materials - On weighted average basis.

Finished goods purchased for resale - On weighted average basis.

Cost of manufactured finished goods and stock in process comprises of material, labour and other related production overheads including depreciation.

### 9. Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of transaction. Differences arising out of foreign currency transactions settled during the year are recognised in the profit and loss account.

Monetary items outstanding at the balance sheet date and denominated in foreign currencies are restated at the exchange rates prevailing at the balance sheet date. Differences arising on such restatement are recognised in the profit and loss account except to the extent permitted by the transitional provision contained in the Companies

## Schedules forming part of the financial statements

(Accounting Standards) Amendment Rules, 2009 in respect of long term foreign currency monetary items, in which case the cost of fixed assets are adjusted by the translation differences and amortised over the remaining useful life of the related asset.

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

Forward exchange contracts entered to hedge the foreign currency risk of highly probable forecast transactions and firm commitments are marked to market at the balance sheet date if such mark to market results in exchange loss. Such exchange loss is recognised in the profit and loss account immediately. Any gain is ignored and not recognised in the financial statements, in accordance with the principles of prudence enunciated in Accounting Standard 1- Disclosure of Accounting Policies.

### 10. Taxes on income

Tax expense comprises current income tax and deferred income tax.

Current tax is determined as the amount of tax payable in respect of taxable income for the year, in accordance with the Income Tax Act, 1961.

Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternate tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

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### 11. Research and development

Research and development expenditure is charged to profit and loss account except capital expenditure, which is added to the cost of respective fixed assets in the year in which it is incurred.

### 12. Leases

#### a) Operating Lease

Lease rentals in respect of assets taken on operating lease are charged to the profit and loss account on a straight-line basis over the term of lease.

#### b) Finance Lease

Assets acquired on finance lease which transfer risk and rewards of ownership to the Company are capitalised as assets by the Company at the lower of fair value of the leased property or the present value of the related lease payments or where applicable, estimated fair value of such assets. Amortisation of capitalised leased assets is computed on the straight line method over the useful life of the assets. Lease rental payable is apportioned between principal and finance charge using the internal rate of return method. The finance charge is allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of liability.

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# Schedules forming part of the financial statements

## 13. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 Employee Benefits (Revised 2005) "Revised AS 15":

### a) Provident fund

The Company makes contributions to two independently constituted trusts and regional provident fund recognised by income tax authorities. In terms of the Guidance on implementing the revised AS – 15, issued by the Accounting Standard Board of the Institute of Chartered Accountants of India (the 'ICAI'), the provident fund set up by the Company is treated as a defined benefit plan since the Company has to meet the interest shortfall, if any. Accordingly, the contribution paid or payable and the interest shortfall, if any is recognised as an expense in the period in which services are rendered by the employee.

### b) Gratuity

Gratuity is a post employment defined benefit plan. The liability recognised in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded as expense or income in the profit and loss account in the year in which such gains or losses arise.

### c) Compensated absence

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of actuarial valuation performed by an independent Actuary using the projected unit credit method. Actuarial gains or losses are recognised in the profit and loss account in the year they arise.

### d) Other short term benefits

Expenses relating to other short term benefits including performance bonus is recognised on the basis of amount paid or payable for the period during which services are rendered by the employee.

## Schedules forming part of the financial statements

### 14. Earnings per share

Basic earnings per share is calculated by dividing net profit or loss for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, share split and any new equity issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### 15. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

### 16. Contingent liabilities and provisions

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company;
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- present obligation, where a reliable estimate cannot be made.

# Schedules forming part of the financial statements

## SCHEDULE – 20

Notes to the Financial Statements

		Rs. in lacs	
		2010	2009
1.	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances Rs. 1,592.87 lacs; Previous year Rs. 2,565.30 lacs)	2,965.21	731.39
2.	Contingent liabilities not provided for in respect of:		
a)	Demands raised by the excise authorities against which appeals have been fled	124.28	32.80
b)	Demands raised by the income tax authorities against which appeals have been fled	182.29	-
c)	Demands made by the sales tax authorities against which appeals have been fled	172.50	114.41
d)	Bank guarantees outstanding	747.29	312.63
e)	Guarantees given to a bank for availment of credit facilities by a subsidiary Company for Rs. 1,320 lacs. Amount outstanding as at the year end is:	481.96	-
f)	Claims against the Company not acknowledged as debts	1,964.20	1,761.87
3.	Unfulfilled export obligation under EPCG license of EXIM Policy	2,859.88	3,627.45

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		Rs. in lacs	
		2010	2009
4.	Other liabilities include:		
	Directors' commission payable	492.85	439.46

5. Amount due to entities covered under Micro, Small and Medium Enterprises have been identified on the basis of confirmations received from these entities and information available with the Company. There was no amount due for more than forty five days payable to these identified entities at any time during the year.

		Rs. in lacs	
		2010	2009
6.	Miscellaneous expenses include payments to auditors for:		
a)	Audit fee	12.13	11.03
b)	Tax audit fee	1.65	1.65
c)	Certification and other services	2.10	2.84
d)	Reimbursement of expenses	2.74	1.91
	(including service tax wherever applicable)	18.62	17.43

## Schedules forming part of the financial statements

### 7. Employee benefits

During the year the Company has recognised the following amounts in the profit and loss account.

a) Provident fund and other funds*:	Rs. in lacs	
	2010	2009
Employer's contribution to provident fund **	281.84	220.83
Employer's contribution to ESI	63.73	50.93

\* included in contribution to provident and other funds (refer schedule 16)

\*\* The Fund does not have any existing deficit or interest shortfall. In regard to any future obligation arising due to interest shortfall, pending the issuance of the Guidance Note from the Actuarial Society of India, the measurement of actuarial valuation liability towards Provident Fund is not feasible. Accordingly, other related disclosures in respect of provident fund have not been furnished.

b) Defined benefit plan	Rs. in lacs	
	As at 31 March 2010	As at 31 March 2009
	Gratuity Funded	Gratuity Funded
Amount recognised in the balance sheet :		
Present value of obligations	1,006.32	920.29
Fair value of plan assets	1,072.59	865.06
Net (asset)/liability recognised in the balance sheet	(66.27)	55.23
Amount recognised in profit and loss account:		
Current service cost	89.33	75.38
Interest cost	61.25	64.60
Expected return on plan assets	(69.20)	(74.20)
Actuarial (gain)/ loss (net)	(110.40)	(17.68)
Total included in 'Personnel Cost' *	(29.02)	48.10
Actual return on plan assets	205.53	24.70
* Refer schedule 16		
Reconciliation of opening and closing balances of benefit obligations and plan assets		
Change in defined benefit obligation		
Opening defined benefit obligation	920.29	998.18
Current service cost	89.33	75.38
Interest cost	61.25	64.60
Benefits paid	(90.48)	(150.68)
Actuarial (gain)/ loss	25.93	(67.19)
Closing defined benefit obligation	1,006.32	920.29
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	865.06	927.55
Expected return on plan assets	69.20	74.20
Actuarial gain/ (loss)	136.33	(49.51)
Employer's contribution	92.48	63.50
Contribution by plan participants	-	-
Settlement cost	-	-
Benefits paid	(90.48)	(150.68)
Fair value of plan assets at the end of the year	1,072.59	865.06
Assumptions used to determine the benefit obligations:		
Discount rate	7.00%	7.00%
Expected rate of increase in compensation levels	6.00%	6.00%
Expected rate of return on plan assets	8.00%	8.00%
Expected average remaining working lives of employees	16 Years	17 Years

## Schedules forming part of the financial statements

Defined benefit plan (Contd.)	Rs. in lacs			
Amounts for the current and previous periods are as follows:	2009-10	2008-09	2007-08	2006-07
Defined benefit plan – Gratuity				
Defined benefit obligation	(1,006.32)	(920.29)	(998.18)	(762.63)
Plan Assets	1,072.59	865.06	927.55	752.70
Surplus/ (deficit)	66.27	(55.23)	(70.63)	(9.93)

The Company made annual contribution to the Birla Sun Life Insurance Company Limited ('BSL') of an amount advised by the BSL. The Company was not informed by BSL of the investment made or the break down of plan assets by investment type, accordingly related disclosures are not included in these financial statements.

Estimated amount of benefits payable within next year are Rs. Nil (previous year Rs. 55.23 lacs).

c) Other long term benefit plans	Rs. in lacs	
	As at 31 March 2010	As at 31 March 2009
	Leave encashment	Leave encashment
Amount recognised in the balance sheet :		
Present value of obligations	297.32	206.14
Fair value of plan assets	-	-
	297.32	206.14
Unrecognised past service cost	-	-
Net liability recognised in the balance sheet	297.32	206.14
Amount recognised in profit and loss account:		
Current service cost	40.06	24.73
Interest cost	15.46	12.97
Expected return on plan assets	-	-
Actuarial (gain)/ loss (net)	82.78	6.36
Past service cost	-	-
Curtailement and settlement cost/(gain)	-	-
Total included in 'Personnel Cost' *	138.30	44.06
Actual return on plan assets	-	-
* Refer schedule 16		
Reconciliation of opening and closing balances of benefit obligations		
Change in benefit obligation		
Opening benefit obligation	206.14	162.08
Current service cost	40.06	24.73
Interest cost	15.46	12.97
Benefits paid	(47.12)	-
Curtailement and settlement cost/ (credit)	-	-
Contribution by plan participants	-	-
Past service cost	-	-

## Schedules forming part of the financial statements

Other long term benefit plans (Contd.)	Rs. in lacs	
	As at 31 March 2010	As at 31 March 2009
	Leave encashment	Leave encashment
Actuarial (gain)/ loss	82.78	6.36
Closing benefit obligation	297.32	206.14
Assumptions used:		
Discount rate	7.50%	8.00%
Expected rate of increase in compensation levels	5.00%	5.50%
Expected average remaining working lives of employees	19.67 Years	18.11 Years

### 8. Deferred tax

Major components of deferred tax assets and liabilities are as given below:

	Rs. in lacs	
	2010	2009
Deferred tax liability		
On fiscal allowances on fixed assets	6,229.74	4,584.30
Deferred tax assets		
On provision for doubtful debts, loans and advances	174.92	235.86
Other timing differences	642.97	117.50
	817.89	353.36
Deferred tax liability (net)	5,411.85	4,230.94

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### 9. Earnings per share

	Rs. in lacs	
	2010	2009
Basic earnings per share		
Profit after tax before prior period item	5,654.25	4,015.20
Tax for earlier years	(134.54)	-
Less : Prior period item	(277.00)	-
Profit attributable to equity shareholders after prior period item	5,242.71	4,015.20
Number of Shares	55,025,508	55,025,508
Weighted average number of shares outstanding during the year.	55,025,508	55,025,508
Nominal value per share ( Rs.)	2	2
Earnings per share – basic and diluted before prior period item	10.28	7.30
Earnings per share – basic and diluted after prior period item	9.53	7.30

## Schedules forming part of the financial statements

### 10. Related party transactions

#### a) Name of related parties and description of relationship:

##### (i) Subsidiaries – AGI Glasspack Limited.

Hindware Home Retail Private Limited  
 HSIL Associates Limited  
 Alchemy International Cooperatief U.A.  
 Haas International B.V.  
 Halis International Limited, Mauritius

##### (ii) Key management personnel

(Name of the relatives of key management personnel with whom the Company had transactions during the year are listed below).

Mr. R.K. Somany (Father)

Mr. Sandip Somany (Son)

##### (iii) Entities where significant influence is exercised by key management personnel and/ or their relatives having transactions with the Company:

- (a) Textool Mercantile Private Limited
- (b) Paco Exports Limited
- (c) New Delhi Industrial Promoters and Investors Limited
- (d) Soma Investments Limited
- (e) Hindusthan National Glass & Industries Limited

### 11. Related party disclosures

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Particulars	Rs. in lacs					
	Subsidiaries		Key management Personnel and their Relatives		Other parties which significantly influence/are influenced by the Company (either individually or otherwise)	
	2010	2009	2010	2009	2010	2009
A. a) Sale of Goods	89.10	33.58	-	-	-	-
b) Purchase of trading goods	0.94	5.09	-	-	-	-
c) Purchase of capital goods	-	1.97	-	-	-	-
d) Expenses paid on behalf of subsidiary	7.21	8.36	-	-	-	-
e) Rent paid	-	-	4.80	4.00	10.27	0.34
f) Display charges	195.00	-	-	-	-	-
g) Investment made	1,265.39	1,070.36	-	-	-	-
h) Share application money	779.96	-	-	-	-	-
i) Balance outstanding at the year end (receivable)/ payable	(569.18)	-	-	-	-	-
B. Directors remuneration	-	-	599.84	544.12	-	-
Balance outstanding at the year end - payable	-	-	422.45	376.68	-	-

12. In the opinion of the board of directors, current assets, loans and advances have a value on realisation in the ordinary course of the business at least equal to the amounts at which they are stated and provision for all known liabilities have been made.

## Schedules forming part of the financial statements

13. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	Rs. in lacs	
	2010	2009
Receivables and advances:		
Exports outstanding	610.89	952.59
Payables:		
Payable on imports	489.34	2,111.97
Loans:		
Buyers credit	1,630.53	-
Export packing credit	-	186.55

14. Payment to directors\*

	Rs. in lacs	
	2010	2009
a) Salary	153.43	131.74
b) Contribution to provident fund	18.41	15.81
c) Leave encashment paid	-	9.40
d) Commission	492.85	439.46
e) Monetary value of perquisites	5.55	10.49
f) Directors' sitting fee	1.18	1.11
Total	671.42	608.01

\* exclusive of provision for future liability in respect of gratuity and leave encashment which is based on actuarial valuation done on overall Company basis.

Computation of net profit in accordance with Section 198 of the Companies Act, 1956 and the commission payable to directors

	Rs. in lacs	
	2010	2009
Net profit before tax	6,567.61	5,677.67
Add: Directors' remuneration including directors' fee	671.42	608.01
Add: Provision for doubtful debts and advances (net)	(150.00)	28.29
	7,089.03	6,313.97
Less:- Profit on sale of fixed assets (net)	18.54	22.72
Less:- Profit on sale of investments (net)	0.46	13.22
Net profit for the year in accordance with section 198 of the Companies Act, 1956	7,070.03	6,278.03
i) Commission payable to whole-time directors		
a) Chairman & Managing Director	211.22	188.34
(Restricted to 3% of net profit as calculated above)	211.22	188.34
b) Joint Managing Director		
(Restricted to 3% of net profit as calculated above)		
ii) Commission payable to non-whole-time directors	70.41	62.78
(Restricted to 1% of net profit as calculated above)		

## Schedules forming part of the financial statements

### 15. Particulars relating to foreign exchange

a) Value of imports calculated on C.I.F. basis	Rs. in lacs	
	2010	2009
Raw materials and components	4,668.61	3,078.83
Spares	822.09	278.95
Capital goods	1,432.05	84.45
Goods purchased for resale	3,441.53	3,061.46
<b>Total</b>	<b>10,364.28</b>	<b>6,503.69</b>

b) Expenditure in foreign currency	Rs. in lacs	
	2010	2009
Commission on exports	19.78	25.56
Travelling	129.35	132.32
Consultancy fee (net of tax)	413.72	528.92
Designs and drawings	-	167.80
Interest to bank (net of tax)	759.12	405.32
Rent	2.34	1.29
Others	19.45	8.23
<b>Total</b>	<b>1,343.76</b>	<b>1,269.44</b>

c) Earnings in foreign exchange	Rs. in lacs	
	2010	2009
FOB value of export of goods	1,975.49	2,686.59
<b>Total</b>	<b>1,975.49</b>	<b>2,686.59</b>

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d) Value of imported and indigenous raw materials, stores and spares consumed	Rs. in lacs			
	2010		2009	
	Value	%	Value	%
Raw material and components:				
Imported	5,292.04	38	3,102.44	31
Indigenous	8,647.05	62	6,913.70	69
<b>Total</b>	<b>13,939.09</b>	<b>100</b>	<b>10,016.14</b>	<b>100</b>

Stores and spare parts consumed:	Rs. in lacs			
	2010		2009	
	Value	%	Value	%
Imported	392.67	14	289.16	14
Indigenous	2,450.67	86	1,787.67	86
<b>Total</b>	<b>2,843.34</b>	<b>100</b>	<b>2,076.83</b>	<b>100</b>

# Schedules forming part of the financial statements

## 16 Particulars in respect of goods manufactured / traded

Class of Goods	Unit of Measurement	Licensed/ Registered Capacity	Installed Capacity	Production Qty.	Purchase Value	Opening Stock		Closing Stock		Sales	
						Qty.	Value	Qty.	Value	Qty.	Value
Sanitaryware, fittings and other allied products	M.T	NA	28,000 (32,000)	23,167 (24,169)	10,798.68 (9,541.84)	14,205 (17,208)	8,847.53 (9,019.34)	10,697 (14,205)	6,326.37 (8,847.53)	26,675 (27,172)	38,161.36 (33,223.51)
Plaster of Paris	M.T	NA	3,000 (3,000)	466 (127)	-	56 (95)	3.24 (1.03)	6 (56)	2.06 (3.24)	516 (166)	-
Refractories	M.T	NA	1,200 (1,200)	-	-	-	-	-	-	-	-
Zirconium Opacifer	M.T	NA	600 (600)	-	-	-	-	-	-	-	-
Heat Rings	NOS.	NA	500,000 (500,000)	100,650 (81,000)	-	40,600 (18,970)	-	42,800 (40,600)	-	98,450 (59,370)	2.40 (2.03)
Acide Resistant Tiles	NOS.	NA	650,000 (650,000)	-	-	160 (160)	-	160 (160)	-	-	-
Glass Bottles / Containers	Lac Pcs.	NA	16,431 (16,431)	11,756 (8,685)	-	942 (1,042)	2,163.48 (1,986.33)	2,066 (942)	5,011.61 (2,163.48)	10,632 (8,785)	45,056.56 (32,622.16)
Scrap & Other Sales			-	-	-	-	-	-	-	-	352.39 (298.04)

1 Installed capacity has been certified by the management, which the auditors have relied on without verification as this is a technical matter.

2 Production includes captive consumption.

3 Sales quantities include free replacement, breakage, samples, etc. the quantity whereof has not been separately determined.

4 Value of purchases, sales & stocks of sanitaryware & fittings include the value of fitting items. In view of practical difficulties, the quantitative details of fitting items have not been included above.

5 Previous year's figures are given in brackets.

## Schedules forming part of the financial statements

17. Raw material and components consumed	Rs. in lacs			
	2010		2009	
	Qty. (M.T.)	Value	Qty. (M.T.)	Value
Description				
Clays	20,561	649.57	17,367	485.46
Soda Ash	42,143	4,973.89	21,832	3,478.81
Cullets	93,827	3,226.56	90,278	3,048.33
Quartz/Feldspar	10,724	236.04	10,831	186.78
Others	-	4,853.03	-	2,816.76
<b>Total</b>		<b>13,939.09</b>		<b>10,016.14</b>

18. Expenditure during construction period	Rs. in lacs	
	2010	2009
Balance brought forward from previous year	-	92.89
Add:		
- Raw material consumed	397.88	-
- Packing material consumed	55.74	-
- Repairs	3.74	-
- Selling expenses	1.82	-
- Stores and spares consumed	204.27	17.92
- Power and fuel	476.27	41.74
- Insurance	5.49	10.44
- Rates and taxes	0.29	7.59
- Traveling and conveyance	7.88	82.01
- Rent and hiring charges	19.08	38.19
- Salary, wages and bonus	66.45	305.26
- Contribution to provident and other funds	2.61	20.80
- Staff and labour welfare expenses	2.77	13.08
- Interest paid	226.48	2,394.34
- Foreign exchange fluctuation loss	54.02	1,648.15
- Miscellaneous expenses	20.35	140.42
<b>Total (A)</b>	<b>1,545.14</b>	<b>4,812.83</b>
Less :		
- Sales	636.42	-
- Increase in stocks including excise duty	411.30	-
- Miscellaneous receipts	10.94	14.74
- Misc. sales	0.97	1.26
- Interest received	18.45	190.46
- Provision for taxation	(6.27)	(64.39)
- Insurance claim received	-	2.24
<b>Total (B)</b>	<b>1,071.81</b>	<b>144.31</b>
<b>Total (A-B)</b>	<b>473.33</b>	<b>4,668.52</b>
Allocated to fixed assets	473.33	2,580.02
Balance allocated to capital work-in-progress	-	2,088.50
Balance carried forward	-	-

## Schedules forming part of the financial statements

19. Expenditure on ceramic and applied research centre	Rs. in lacs	
	2010	2009
Salaries, wages and bonus	16.19	8.75
Contribution to provident and other funds	0.84	0.63
Stores and spares consumed	7.64	4.74
<b>Total</b>	<b>24.67</b>	<b>14.12</b>

20. Upto 31 March, 2008, the Company was recognising translation differences arising on long term foreign currency monetary items (i.e. monetary assets or liabilities expressed in foreign currency and having a term of 12 months or more at the date of origination) in the profit and loss account. Pursuant to Companies (Accounting Standards) Amendment Rules, 2009, the Company has exercised the option of deferring the recognition of Profit and Loss account in respect of accounting periods commencing on or after 7 December 2006. As a result, net foreign exchange transaction gain amounting to Rs. 1,237.30 lacs relating to the acquisition of depreciable capital assets have been adjusted with cost of such assets.

21. The Hon'ble Calcutta High Court vide its order dated 26 March 2010 approved a scheme of arrangement between the Company and its shareholders ("the Scheme"). The Scheme provides that with effect from April 01, 2009, the Appointed Date, all or such of the immovable properties in the form of land and buildings, as the Company considers relevant and appropriate, will be reinstated at their respective fair values as determined by recognised valuers. Consequently, any adjustments (debit/credit) on account of such revaluation would be reflected in Business Reconstruction Reserve Account ("BRR") of the Company.

The Scheme provides that in addition to the aforementioned revaluation, any or all of the immovable properties in the form of land and buildings, as the Company considers relevant and appropriate up to 31 March 2012, may further be reinstated at their respective fair values as determined by recognised valuers with the consequent adjustments (debit/credit) on account of such revaluation being reflected in the Business Reconstruction Reserve Account of the Company.

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The Scheme further provides that the aggregate amount under the BRR created by way of revaluation of land and buildings would be utilised, to the extent considered necessary and appropriate by the Board of Directors of the Company from time to time, to adjust certain expenses as mentioned in the Scheme until the balance is available in the BRR account.

In terms of the Scheme, the Company revalued one of its freehold land by crediting Rs. 23,500.00 lacs to the BRR and has transferred Rs. 3,732.63 lacs from the BRR to the profit and loss account for the year ended 31 March 2010, as deemed appropriate by the Board of Directors on account of the following expenses charged in the profit and loss account:

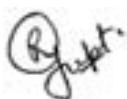
1. Write-off of old non-recoverable receivables and advances aggregating to Rs. 1,291.99 lacs;
2. Write-off of old non-moving and slow moving inventories aggregating to Rs. 2,291.65 lacs;
3. Write-off certain fixed assets aggregating to Rs. 59.76 lacs; and
4. Expenses incurred in connection with the Scheme or purposes mentioned there in aggregating to Rs. 89.23 lacs.

Pursuant, the Scheme, the Company has also transferred Rs. 10,000 lacs from the BRR to the General Reserve as on March 31, 2010. As per undertaking provided by the Company to the stock exchange, this amount transferred to the General Reserve shall not be utilised for either payment of dividends or issue of bonus shares in accordance with the provisions of the Companies Act, 1956.


## Schedules forming part of the financial statements

The applicable Indian Generally Accepted Accounting Standards and Principles do not provide for revaluation of part of a class of asset and credit of amounts released from reserves to the profit and loss account but the said accounting treatment has been followed as prescribed under the Scheme approved by Hon'ble Calcutta High Court. Had this not been done, profit after tax would have been lower by Rs. 3,732.63 lacs and reserves would be have been lower by Rs. 23,500 lacs.

22. Prior period items comprise of deferred tax correction of Rs. 277.00 lacs and income tax correction of Rs. 134.54 lacs.
23. Previous year figures have been regrouped/recast wherever considered necessary to make them comparable with those of the current year.



Ruchika Gupta  
Company Secretary



V. K. Ajmera  
Vice President (Corporate Finance)



Sandip Somany  
Joint Managing Director

For and on behalf of the Board of Directors



Rajendra K Somany  
Chairman & Managing Director

For Walker, Chandiook & Co.  
Chartered Accountants



Per B. P. Singh  
Partner

Membership No. 70116

