

26th Annual Report
2013-14



Aro granite industries Ltd.
(100% Export Oriented Unit)



Board of Directors

Sunil K Arora
Managing Director

Kasturi Lal Arora
Director

Dinesh Chandra Kothari
Director

Rahul Gupta
Director

Pradeep Kumar Jain
Director

Sujata Arora
Director

Company Secretary
Sabyasachi Panigrahi

Auditors
Alok Mittal & Associates

Bankers
Bank of Baroda
The Hongkong and Shanghai Banking Corporation Limited

Registered Office
1001, 10th Floor, DLF Tower A, Jasola
New Delhi 110 025, India
Phone: 91-11-41686169, Fax: 91-11-26941984
CIN: L74899DL1988PLC031510

Corp. Off. & Works
Koneripalli Village, Via: Shoolagiri, Taluk: Hosur,
Dist. Krishnagiri, Tamil Nadu 635117, India
Tel: 91-4344 252100 Fax: 91-4344 252217

Registrar & Share Transfer Agent
M/s Alankit Assignments Ltd
Alankit Heights, 1E/13, Jhandewalan Extension,
New Delhi 110055, India
Tel: 91-11-23541234, 42541234 Fax: 91-11-23352001

Scrip Codes
Bombay Stock Exchange Limited: 513729
National Stock Exchange of India Limited: AROGRANITE/EQ
ISIN No.: INE210C01013

From the desk of Managing Director



It gives me immense pleasure to welcome you to the 26th Annual General Meeting of your Company and to share my views with you on the performance and future outlook of the company

During the year we have been able to achieve a sales turnover of Rs.253.54 Crores which is 34.15% higher than the last year's turnover. At the same time the Company has posted a pre-tax profit of Rs. 28.37 Crores against a pre-tax profit of Rs.15.21 Crores of the previous year. This has resulted in an increase in profitability from 8.05% to 11.19%

The increase in turnover by 35.40% is the result of running of the full expanded capacity during the year and to some extent by the positive currency movement. Despite the fact that there has been an increase in raw material cost across our entire range of colours and increase in other input cost, we have been able to increase the profitability through better economies of scale. However the depreciation of the Indian Rupee against the US Dollar and Euro has resulted a further increase in costs as all our consumables are imported in Euro and most of the imported rough granite blocks in USD.

The consolidation process of the World economy is still underway. Currency movement was better during the year. We are optimistic that the scenario will continue to be positive during this year and we can achieve better results with the passing of time and with our sincere & dedicated efforts.

Availability of good quality rough granite blocks is still a critical area. Coming up of new granite processing units have made it more challenging. Procurement of Rough Blocks from Africa, Brazil, Norway, Finland and Ukraine still continuing.

For the coming year we aim to sustain the same aggressive strategy which has resulted in more than 15% increase in sales to 21 of the countries we export to. Leading the way is a 33% increase in the sales to North America, 3 times or 314% sales in Libya, which is an emerging market, a 50% increase in Germany and we have doubled the sales in Poland, Italy and Japan.

For the 3rd consecutive year we have exported to over 45 countries and are still exploring more untapped markets. However the Political and Economical instability of many regions around the world has hampered our efforts.

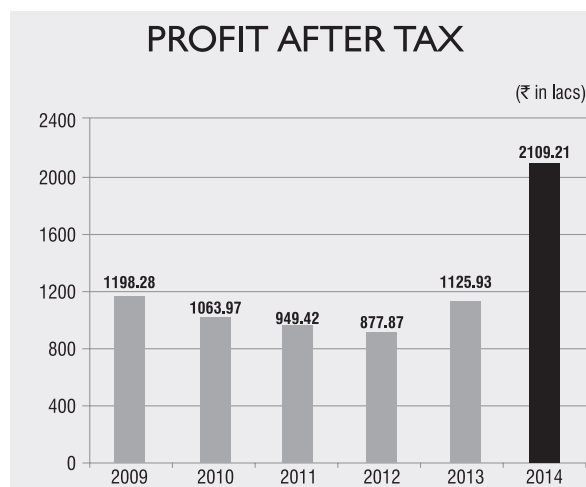
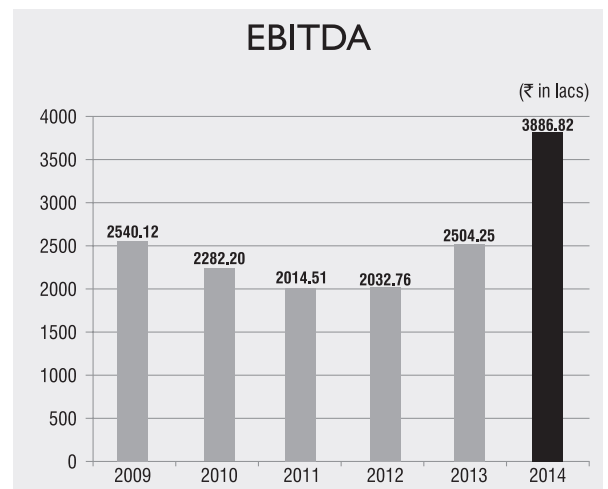
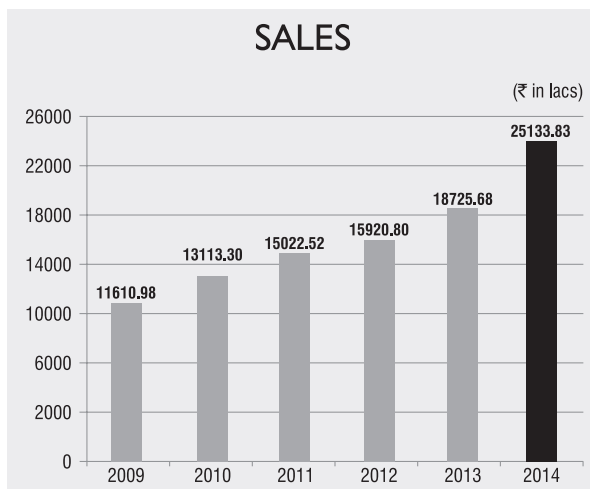
By Adapting, Excelling and Exploring new avenues we intend to take the company to greater height in the coming years and to achieve this we solicit your sincere, dedicated and continued support to make 2014-15 a truly rewarding year.

As always, I continue to seek your good wishes and support our visions and goals

Sunil K Arora
Hosur, 19.04.2014

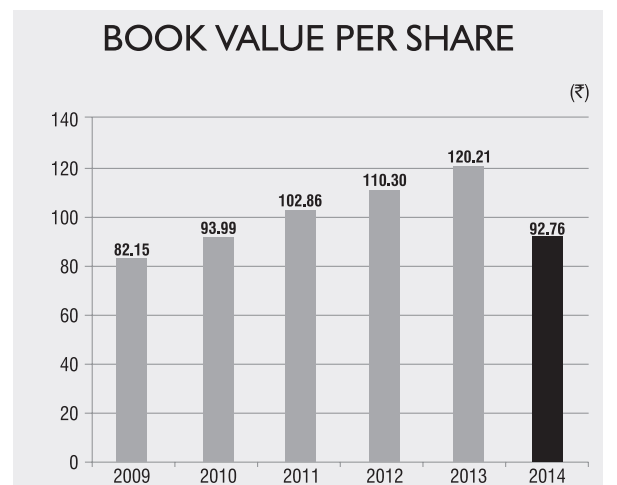
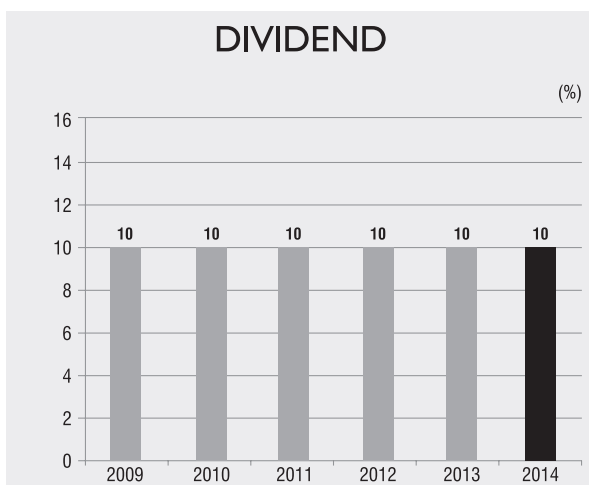
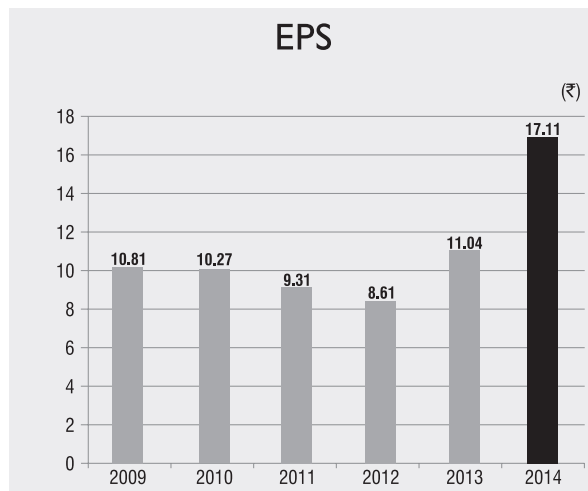
Financial Highlights

Description	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Sales	5321.02	6084.42	7358.17	7784.62	10403.02	10141.66	11610.98	13113.30	15022.52	15920.80	18725.68	25133.83
EBITDA	1261.67	1323.26	1667.31	1287.27	2029.08	1869.66	2540.12	2282.2	2014.51	2032.76	2504.25	3886.82
Depreciation	180.66	174.51	181.91	233.51	235.92	314.82	427.99	430.48	439.79	417.84	470.00	516.13
Tax	71.43	71.08	42.77	42.55	45.69	135.21	160.78	235.3	270.17	318.00	380.01	743.83
Profit after Tax	775.26	871.19	1151.62	793.72	1520.64	800.19	1198.28	1063.97	949.42	877.87	1125.93	2109.21
Gross Block	3196.99	3286.47	4766.40	4783.02	4837.10	9371.56	9424.53	9513.14	9901.20	11904.24	12490.33	11869.22
Net Worth	3050.26	3859.95	4860.65	5533.44	6889.82	7593.63	9105.04	9737.66	10491.22	11250.54	12261.87	14192.08
Reserves & Surplus	2594.06	3386.05	4184.60	4858.25	6214.64	6891.63	7996.69	8701.59	9471.22	10230.54	11241.87	12662.08
Equity Share Capital	468.00	468.00	702.00	702.00	702.00	702.00	1108.35	1036.07	1020.00	1020.00	1020.00	1530.00



Key Indicators

Description	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Dividend (%)	15	15	15	15	20	15	10	10	10	10	10	10
Dividend Payout Ratio (%)	9.05	8.06	9.14	13.27	9.23	13.16	9.25	9.74	10.74	11.62	9.06	7.25
EPS (Rs)	16.57	18.62	16.4	11.31	21.66	11.4	10.81	10.27	9.31	8.61	11.04	17.11
Book Value Per Share (Rs)	65.18	82.48	69.24	78.82	98.15	108.17	82.15	93.99	102.86	110.30	120.21	92.76
R O C E (%)	23.46	22.02	20.85	13.13	16.4	10.65	13.30	12.02	9.20	8.00	10.89	12.84
R O N W (%)	29.74	25.76	26.68	15.24	21.81	10.54	13.16	10.93	9.05	7.80	9.18	14.86



Aro granite industries Ltd.

(CIN: L748990DL1988PLC031510)

Regd. Office: 1001, 10th Floor, DLF Tower 'A', Jasola, New Delhi - 110025

Phone: 011-41686169, Fax: 011- 26941984

Website: www.arotile.com, E-mail:investorgrievance@arotile.com

Notice

NOTICE is hereby given that the 26th Annual General Meeting of the members of ARO GRANITE INDUSTRIES LIMITED will be held at Lakshmiapat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi 110016 on Saturday, the 6th September 2014 at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March 2014 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Kasturi Lal Arora (DIN: 00150668), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Smt. Sujata Arora (DIN: 00112866), who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Shri Pradeep Kumar Jain (DIN:00060054), who retires by rotation and being eligible, offers himself for re-appointment.
6. To consider and if thought fit to pass, with or without modifications, the following as **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 139 of the Companies Act 2013 and Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s Alok Mittal & Associates, Chartered Accountants, New Delhi (Registration No 005717N) be and are hereby appointed as Auditors of the Company for a term of three consecutive years from the conclusion of the 26th Annual General Meeting(AGM) till the conclusion of the 29th Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) on a remuneration to be fixed by the of Board of Directors of the Company on the recommendation of the Audit Committee of Directors in consultation with the said Auditors."

AS SPECIAL BUSINESS

7. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:**
"RESOLVED that pursuant to the provisions of section 196,197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act 2013 (the 'Act') (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 , approval of the Company be and is hereby accorded to the revision and amendment of the terms and conditions of the existing agreement between the Company and Mr. Sunil K. Arora, Managing Director of the Company w.e.f. 01.04.2014 for the remaining period of his tenure i.e upto 31.03.2016 as set out in the statement annexed to the notice convening this meeting.
8. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:**
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Dinesh Chandra Kothari (DIN 00195609), Director of the Company whose period of office is liable to determination by retirement of directors by rotation be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of his appointment at this Annual General Meeting upto the conclusion of 31st Annual General Meeting of the Company in the year 2019."
9. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:**
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Rahul Gupta (DIN 00024732), Director of the Company whose period of office is liable to determination by retirement of directors by rotation be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of his appointment at this Annual General Meeting upto the conclusion of 31st Annual General Meeting of the Company in the year 2019."
10. **To consider and if thought fit ,to pass, with or without modification(s), the following resolution as Special Resolution:**
RESOLVED that in supersession of the resolution passed by the Company with respect to the borrowing powers of the Board of Directors at the Annual General Meeting held on 28th July 2012, consent of the Company be and is hereby accorded and it shall always be deemed to have been so accorded pursuant to section 180(1)(c) and all other applicable provisions, if any, of the Company Act 2013 or any statutory modification or re-enactment thereof to the Board of Directors of the Company (hereinafter referred to us "to Board", which term shall be deemed to include any committee thereof) for borrowing moneys (apart from temporary of loans from time to time obtained from the Company 's Bankers in the ordinary course of business)in excess of the aggregate of the paid up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific

purpose), as the Board may, from time to time, deem necessary and/or expedient for the purpose of the Company, provided that the sum or sums so borrowed and remaining outstanding at any one time on account of principal shall not exceed in the aggregate Rs.300 Crores (Rupees Three Hundred Crores only)

11. To consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

RESOLVED that in supersession of the resolution passed by the Company with respect to mortgaging and/or charging by the Board of Directors at the Annual General Meeting held on 28th July 2012, consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act 2013 or any statutory modification or re-enactment thereof, to the Board of Directors of the Company including a committee thereof (hereinafter referred to "the Board") to mortgage and/ or charge (by way of first, second or other subservient charge as may be agreed to between the company and lenders and/ or Debenture Trustees), all the immovable and movable properties, present and future, wheresoever situated and the whole or substantially the whole of any one or more of the undertakings of the Company, to or in favour of any Financial Institutions, Banks and other lending Institutions or Funds, Trustees for Debentures, to secure their respective Rupee and Foreign Currency Loans or other financial assistance lent, granted and advanced or agreed to be lent, granted and advanced to the Company or the Debentures, Bonds or other Financial Instruments issued and allotted or as may be issued by the Company and subscribed to or agreed to be subscribed to by such Institutions/Banks/Funds, or any other persons, of such amount or amounts not exceeding Rs.300 Crores (Rupees Three Hundred Crores only) in the aggregate on account of principal, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premium on prepayment, remuneration of the Trustees, costs, charges and other monies payable by the Company to respective Financial Institutions, Banks and other lending Institutions and Debentureholders and/or Trustees under the Loan/ Subscription Agreement(s) entered into/to be entered into by the Company in respect of the said Term Loans, Debentures or other Financial Instruments or assistance.

RESOLVED FURTHER that the Board of Directors of the Company including a committee thereof, be and is hereby authorized to finalise the terms & conditions with the Financial Institutions, Banks and other lending Institutions or Debenture Trustees and the documents for creating mortgage(s) and/or charge(s) as aforesaid and to do all acts, deeds and things in connection therewith and incidental thereto.

12. To consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

"RESOLVED that pursuant to Sections 197 of the Companies Act 2013, approval of the Members of the Company be and is hereby accorded and it shall always be deemed to have been accorded to the payment of commission not exceeding 1% of the annual net profit of the Company, computed in the manner referred to in Section 198 of the Companies Act 2013 read with other applicable provisions of the Companies Act 2013 on monthly/quarterly/half-yearly/ annual basis as may be decided by the Board of Directors of the Company for a period of five financial years commencing 01.04.2014 to the Directors other than the Managing Director(s) and Wholtime Director(s) of the Company who may in their absolute discretion accept a lower amount in any year or years".

RESOLVED FURTHER that Shri Sunil K. Arora Managing Director, Shri Kasturi Lal Arora, Director and Shri Sabyaschi Panigrahi, Company Secretary of the Company be and are hereby authorized severally to sign, file all forms, documents, paper etc. with the Registrar of companies/Ministry of Corporate Affairs and to do all such acts, deeds and things to give effect to the above resolution."

For & on behalf of the Board

Place: Hosur

(Sunil K Arora)

Date: 19th April, 2014

Managing Director

NOTES:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013, is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
3. The Share Transfer Books and Register of Members of the Company shall remain closed from 02.09.2014 to 06.09.2014 (Both days inclusive).
4. The Dividend @ 10% (Re. 1/- per Equity Share of Rs. 10/- each) as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid to those Members whose names appears on the Company's Register of Members on 06.09.2014 or to their mandates. In respect of the shares held in dematerialised form, dividend will be paid on the basis of details of beneficial ownership to be received from the Depositories for the purpose.
5. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Reports, Notices, Circulars etc. from the Company electronically.
6. **Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with Stock Exchanges, the Company is pleased to provide members facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). E-voting is optional.

The instructions for members for voting electronically are as under:-

- (i) Log on to the e-voting website www.evotingindia.com during 31st August 2014 (9.30 a.m.) to 2nd September 2014 (5.30 p.m.).
- (ii) Click on "Shareholders" tab.
- (iii) Now, select "Aro granite industries limited" from the drop down menu and click on "SUBMIT"
- (iv) Shareholders maintaining their holding in Demat form should enter their user ID (For CDSL 16 digit beneficiary ID, For NSDL 8 character DPID followed by 8 digit Client ID. Members holding shares in Physical Form should enter Folio Number registered with the Company then enter the Characters 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 earlier for any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department</p> <ul style="list-style-type: none"> • Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio no in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's after the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA12340000 in the PAN field. • Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/ NSDL client id. For example: in case of name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234.
Date of Birth or Dividend Bank Details	<ul style="list-style-type: none"> • Please enter the Date of Birth or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on 1st August 2014 in the Dividend Bank details field

- (vii) After entering these details appropriately, click on "**SUBMIT**" tab.
- (viii) Members holding shares in physical form will then reach directly 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 Aro granite industries ltd. 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) If Demat account holder has forgotten the changed password then enter the User ID and the Captcha code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) 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.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
 - (xvi) 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.co.in under help section or write an email to helpdesk.evoting@cDSLindia.com.
 - (xvii) The e-voting period commences on 31st August 2014 (9.30 a.m.) and ends on 2nd September 2014 (5.30 p.m.). During this period shareholder of the Company, holding shares either in physical form or in dematerialize form, as on the cut off date: 1st August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a Resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - (xviii) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date of 1st August 2014.
 - (xix) Ms. Latike Jetley Practising Company Secretary (Membership No. 3074.) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - (xx) The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witness not in the employment of the Company and make a Scrutinizer Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - (xxi) The Results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.arotile.com and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company.
7. Brief resume of Shri Kastruri Lal Arora, Smt. Sujata Arora and Shri Pradeep Kumar Jain whose appointment as Directors liable to retire by rotation (proposed at Item No. 3, 4 & 5) is given hereunder:

Shri Kasturl Lal Arora is commerce graduate of 1953 batch from University of Delhi having more than 50 years of in construction material business, marketing activities and vast knowledge & experience in granite industry. He does not hold any other directorship. He holds 382375 (2.5) Equity Shares in the Company.

Smt. Sujata Arora, wife of Shri Sunil K Arora Promoter & Managing Director of the Company is s B.Sc (Home Science) Graduate from the Institute of Home Economics, New Delhi. She has vast knowledge & experience of customer relationship which will help the Company in creating long term relationship with overseas customers and also creating customer data base. She does not hold any other Directorship. She holds 589572 Equity Shares (3.91%) in the Company.

Shri Pradeep Kumar Jain, aged 54 years, is a commerce graduate from Hansraj College, University of Delhi. His experience and knowledge is in the field of Specialised Imported Building Materials and Industrial Product used in Infrastructure Projects, Real Estate Project and Government Projects. He does hold any other Directorship. He holds 154687 Equity Shares(1%) in the Company.

STATEMENT U/S 102(1) OF THE COMPANIES ACT 2013

Item no 7

The remuneration payable to Shri Sunil K. Arora, Managing Director of the Company was approved by the Shareholder at the Annual General Meeting held on 29.07.2011. At a meeting held on 19.04.2014 the Board of Directors of the Company, after considering the increasing responsibilities and work load being shouldered by him due to increase in the working of the Company and on the recommendation of the Nomination and Remuneration Committee, decided to increase the overall remuneration being paid to Shri Sunil K Arora, Managing Director for the remaining period of the existing tenure which expires on 31.03,2016. Accordingly the terms and conditions of the agreement were revised with effect from 01.04.2014 and the revised agreement as approved by the Board is as follows.

I. REMUNERATION

- a) **Salary:** Basic Salary Rs. 6,00,000/- per month (in grade of 6,00,000 - 50,000 - 8,00,000.)
- b) **Commission on net profits:** Based on the net profits of the Company in a particular year, subject to overall ceilings laid down in Sections 197 and 198 of the Companies Act,2013.
- c) **Perquisites:** Following perquisites will be allowed in addition to the salary.

For this purpose unless the context otherwise requires, perquisites are classified in three categories i.e. Part A, B and C. Perquisites referred to under Part B and Part C shall not be considered or included for computation of ceiling on perquisites.

PART-A

1. Residential accommodation or House Rent Allowance @ 50% of the Salary. Expenses pertaining to gas, electricity, water and other utilities will be borne/reimbursed by the Company. Company shall provide such furniture and furnishings as may be required
2. Medical/Hospitalisation Expenses Re-imburement: Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalization, nursing home and surgical charges for himself and family.
3. Leave Travel Concession: Reimbursement of all the expenses i.e. travel fare, lodging, boarding, conveyance and other expenses incurred for self and family members during the leave travel holidays periods whenever undertaken whether in India or abroad.

4. Club Membership Fee: Subscription or reimbursement of membership fee for clubs in India or abroad including admission and life membership fees.
5. Personal Medical / Accident Insurance: Personal Medical/ Accident Insurance of an amount, the annual premium of which shall not exceed Rs. 20,000/- p.a.
6. Any other benefits, facilities, allowances and expenses as may be allowed under Company rules / schemes and available to other employees.

NOTES :

- i) For the purpose of perquisites stated hereinabove, "family" means spouse, dependent children and dependent parents of the appointee.
- ii) Perquisites shall be evaluated as per the Income Tax Rules wherever applicable and in the absence of any such rule perquisites shall be evaluated at actual cost.

PART - B

1. Contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in the ceiling of perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Gratuity payable shall not exceed half a month's salary for each completed year of service.
3. Entitled for leave with full pay or encashment thereof as per the rules of the Company.

PART - C

The Company shall provide a car and a telephone at his residence. Provision of a car for Company's business and the telephone at his residence shall not be considered as perquisites.

The appointee, subject to the applicable provisions of The Company Act, 1956 shall be also eligible for Housing Loan or other facilities as applicable in accordance with the rules of the company.

II. MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the appointee the payment of salary, commission, perquisites and other allowances shall be governed by the limits prescribed under section II of part II of schedule V of the Companies Act 2013 as may be for the time being in force.

No sitting fees will be paid for attending the meetings of the Board of Directors of the Company or committees thereof. Apart from the aforesaid remuneration Mr. Sunil K. Arora, Managing Director will be entitled to the reimbursement of expenses incurred in connection with the business of the company.

Shri Sunil K Arora may be deemed to be concerned or interested in the resolution. Further Shri Kasturi Lal Arora and Smt. Sujata Arora since related to Shri Sunil K Arora may be deemed to be concerned or interested in the resolution.

None of the other Directors of the Company is in any way concerned or interested in the said resolution.

Item No 8

Shri Dinesh Chandra Kothari is the independent director of the Company and have held the position as such more than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has amended the Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by a listed Company. The Board of Directors of the Company has recommended appointment of Shri Dinesh Chandra Kothari as an Independent Director for a term of 5 consecutive years from this AGM in terms of Section 149 of the Companies Act, 2013 (the Act), as mentioned in the Resolution.

Mr. Dinesh Chandra Kothari (63), is a Chartered Accountant by profession. After starting career with ICICI and working there for two years spent 12 years of service with Bukhatir Group (in Sharjah,UAE) as Executive Director. In 1986, he started Interstar Financial Services Ltd., in New Delhi, India to provide a wide range of consulting and advisory services to Indian Corporate Houses on financial matters including restructuring, funds raising, corporate governance and mergers and acquisitions . He is the founder and Pro-Vice Chairman of the following Delhi Public Schools: DPS Jodhpur (India), DPS Sharjah (UAE), DPS Dubai and DPS Academy (UAE). He is also promoter of Victory Heights Primary School, a British Curricullam school also in Dubai. On the occasion of 64th Republic Day Mr. Kothari has been conferred "Pride of India" award by Indian Business & Professional Council for Contribution in the field of Education and very recently conferred The prestigious Mother Teresa Award by Mother Teresa International Awards Committee for Excellence in the field of Education.

Shri Dinesh Chandra Kothari has given requisite declaration that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement and has given his consent to act as an Independent Director of the Company. Shri Kothari is also not disqualified from being appointed as Director in terms of Section 164 of the Act. In the opinion of the Board, Shri Dinesh Chandra Kothari fulfils the conditions specified in the Act in respect of his appointment as an Independent Director of the Company and is independent of the management.

Except Shri Dinesh Chandra Kothari, being the appointee, none of the Directors, Key Managerial Personnel of the Company, and/ or their relatives may be deemed to be concerned or interested in the proposed resolution. This Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No 9

Shri Rahul Gupta is the independent director of the Company and have held the position as such more than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has amended the Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by a listed Company. The Board of Directors of the Company has recommended appointment of Shri Rahul Gupta as an Independent Director for a term of 5 consecutive years from this AGM in terms of Section 149 of the Companies Act, 2013 (the Act), as mentioned in the Resolution.

Mr. Rahul Gupta is a seasoned professional with twenty five years of rich global executive management, operations and investing experience. Mr. Gupta provides strategic direction and guidance in business analysis, operational excellence, financial planning and capital raising.

In 2012, he started his own company Evista Homes & Resorts Pvt Ltd which is setting up a high end resort at Kasauli, between Chandigarh and Simla. He also is the Founder & CEO of Right Global Infosolutions Pvt Ltd, an IT services firm based in Chandigarh and Bangalore.

He was Managing Partner, Sonoma Management Partners (2008-12), CEO of two global technology businesses, IDES and KMG Infotech and CFO at QAI Consulting (2001-2008).

Mr. Gupta holds Bachelor of Technology degree in Mechanical Engineering from Punjab Engineering College, India and MBA in finance from Kurukshetra University, India.

Shri Rahul Gupta has given requisite declaration that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement and has given his consent to act as an Independent Director of the Company. Shri Gupta is also not disqualified from being appointed as Director in terms of Section 164 of the Act. In the opinion of the Board, Shri Rahul Gupta fulfils the conditions specified in the Act in respect of his appointment as an Independent Director of the Company and is independent of the management.

Except Shri Rahul Gupta, being the appointee, none of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution. This Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 10

The Company at its Annual General Meeting held on 28th July 2012 had authorised the Board of Directors of the Company, by an Ordinary Resolution passed under Section 293(1)(d) of the Companies Act 1956, to borrow moneys in excess of the paid-up capital of the Company and its free reserves upto an amount not exceeding Rs. 200 Crore, at any point of time.

The operations of the Company have increased significantly. To meet the increasing requirements of funds, it was considered necessary to increase the said borrowing limits to Rs. 300 Crore.

Pursuant to Section 180(1)(c) of the Companies Act 2013, the Board can exercise borrowing powers, in excess of the paid-up capital and free reserves of the Company, with the approval of Members of the Company by way of Special Resolution.

The Resolution is accordingly recommended for approval of the Shareholders. None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution.

Item No. 11

The Company at its Annual General Meeting held on 28th July 2012 had authorised the Board of Directors of the Company, by an Ordinary Resolution passed under Section 293(1)(a) of the Companies Act, 1956, to create mortgage and/or charge on the immovable and movable properties of the Company in favour of the lenders to secure their financial assistance not exceeding Rs. 200 Crores, in the aggregate on account of principal, together with interest thereon.

The operations of the Company have increased significantly. To meet the increasing requirements of funds, the Company will have to resort to further borrowings from Financial and other lending institutions. As security for such borrowings, the immovable and movable properties of the Company will have to be mortgaged/charged in favour of Financial and other lending institutions. It was therefore considered necessary to take approval of the shareholders upto a borrowing limit of Rs.300 Crores.

Pursuant to Section 180(1)(a) of the Companies Act 2013, the Board can exercise power to create mortgage and/or charge on the immovable and movable properties of the Company, with the approval of Members of the Company by way of Special Resolution.

The Resolution is accordingly recommended for approval of the Shareholders. None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution.

Item No 12

Under Section 197 of the Companies Act 2013 Directors other than Managing Director / Wholtime Director of the Company are entitled to receive as remuneration a commission not exceeding 1% of the annual net profits computed in the manner referred to in Section 197 of the Companies Act 2013. The proposed resolution which reserves the authority of the Directors to receive remuneration on monthly/quarterly/half-yearly annual basis, by way of commission for a period of five financial years, is recommended for the shareholders by means of a Special Resolution.

Each of the Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of the entitlement of their share of remuneration.

For & on behalf of the Board

Place: Hosur
Date: 19th April, 2014

(Sunil K Arora)
Managing Director

FOR THE ATTENTION OF THE SHAREHOLDERS

1. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Annual General Meeting.
2. Please check the pin code in the address slip printed on the envelop and advise correction, if any therein. Also please do indicate the Pin Code Number of your delivery post office while notifying change in your address to the Company where share are held in physical form.
3. Transferee(s) seeking transfer of shares in physical form should furnish the copy of PAN card to the Company/RTA for registration of transfers.
4. Shareholder having multiple folios are requested to write to the Company for consolidation of the Folios to save the administrative or servicing costs.
5. Requests for transfer of Shares and related correspondence should be addressed to the Company's **Registrar & Share Transfer Agent M/s Alankit Assignments Limited, Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi 110055**. The shareholder may approach their Depository Participant for getting their shares dematerialised and in respect of the shares already held in dematerialised mode for registration of change in their addresses, bank mandates and nominations etc. For any further clarifications and other matters kindly write to the **Company Secretary at 1001, 10th Floor, DLF Tower A, Jasola, New Delhi 110025 or E-mail: investor grievance@arotile.com**. Please quote your folio no/DP ID/Client ID or numbers of shares for prompt attention.
6. The Members are requested to furnish to the Company their Bank particulars to enable the Company to directly credit the dividend amount in their Bank Account through **Electronic Clearing Services**. Members are also requested to advise details of their Bank account i.e. name and address of their Bank, Account No. and name of Account Holder(s) for printing on the Dividend Warrants to avoid fraudulent encashment thereof.
7. **Unclaimed Dividends: Transfer to Investor Education and Protection Fund:** Pursuant to Section 125 of the Companies Act, 2013, the unclaimed dividend for the financial year ended 31.03.2007 will be transferred to to the Investor Education and Protection Fund. It may be noted that no claim shall lie against IE&PF or the Company after transfer of the said unclaimed/unpaid dividend to the IE&PF. Therefore those shareholders who have not yet encashed the dividend warrant may write to the Company for re-validation/issue of fresh dividend warrants quoting their folion/DP ID/Client ID. Shareholders who have not encashed their dividend warrants for the financial years 2007-08 to 2012-13 are requested to send the same for revalidation to the Company at the address given at Point No.5 above.
8. **Nomination:** Pursuant to Section 72 of the Companies Act, 2013 individual Shareholders holding shares in the Company singly or jointly may nominate an individual to whom all the rights in the shares in the Company shall vest in the event of death of the sole/ all joint Shareholders.
9. **Dematerialisation of Shares and Liquidity:** Members may in their own interest consider dematerialisation of their shareholding in the Company held in physical form through their respective Depository Participants with one of the Depositories, namely, NSDL and CDSL. Company's ISIN No. is *INE210C01013*
10. Pursuant to Section 101 of the Companies Act 2013 and the Rules made thereunder, the Company is permitted to send various notices/documents under the Companies Act 2013, to its shareholders, through electronic mode. We request to Members to support this initiative and register their E-mail addresses in respect of shares held in: (1) dematerialized mode, with their Depository Participants; and (2) physical mode with Alankit Assignments Limited (RTA). Please quote the following particulars in the E-Mail Registration Request: Folio No./DP ID-Client ID, PAN, Name (s) of Registered Holder(s), Address, Telephone and E-Mail Address (to be registered for sending future communications through E-mail) and send the same under your signature(s).
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

Green Initiative in Corporate Governance: Register E-mail Address

The Ministry of Corporate Affairs has now permitted companies to send various notices/documents under the Companies Act, 2013, to its shareholders, through electronic mode. We request the Members to support this initiative and register their E-mail addresses in respect of shares held in: (1) dematerialised mode, with their Depository Participants; and (2) physical mode with Alankit Assignments Ltd. (RTA). Please quote the following particulars in the E-mail Registration Request: Folio No./DPID-Client ID, PAN, Names(s) of Registered Holder(s), Address, Telephone and E-mail Address (to be registered for sending future communications through E-mail) and send the same under your signature(s).



Directors' Report

The Directors' have pleasure in presenting the 26th Annual Report together with Audited Accounts of the Company for the year ended on 31st March 2014.

FINANCIAL RESULTS

(Rs. in lacs)

	31.03.2014	31.03.2013
Gross Profit before Depreciation	3352.67	1990.95
Depreciation	516.13	470.00
Net Profit before Tax	2836.54	1520.95
Provision for Tax – Current	743.84	380.01
– MAT Credit	148.26	75.38
– Deferred	131.74	90.39
Surplus available for appropriation	2109.22	1125.93
Dividend (including Dividend Tax)	179.01	118.54
Amount transferred to General Reserve	200.00	200.00
Surplus carried to Balance Sheet	1730.21	807.39

WORKING RESULTS

During the year the company has achieved a sales turnover of Rs. 253.55 Crores which is approximately 34.15% higher than the last year's turnover of Rs. 189.01 Crores. At the same time the Company has posted a pre-tax profit of Rs. 28.37 Crores against a pre-tax profit of Rs. 15.21 Crores of the previous year.

The increase in turnover is the result of running of the full expanded capacity during the year and to some extent by the positive currency movement. Despite the fact that there has been an increase in raw material cost across our entire range of colours and increase in other input cost, we have been able to increase the profitability through better economies of scale. However the depreciation of the Indian Rupee against the US Dollar and Euro has resulted a further increase in costs as all our consumables are imported in Euro and most of the imported rough granite blocks in USD.

The consolidation process of the World economy is still underway. Currency movement was better during the year. We are optimistic that the scenario will continue to be positive during this year and we can achieve better results with the passing of time and with our sincere & dedicated efforts.

Availability of good quality rough granite blocks is still a critical area. Coming up of new granite processing units have made it more challenging. Procurement of Rough Blocks from Africa, Brazil, Norway, Finland and Ukraine still continuing.

By Adapting, Excelling and Exploring new avenues we intend to take the company to greater days in the coming years and to achieve this we solicit your sincere, dedicated and continued support to make 2014-15 a truly rewarding year.

DIVIDEND

Your Directors are pleased to recommend a dividend of 10% (Re. 1/- per Equity Share of Rs. 10/- each) for the year ended 31st March 2014 subject to the approval of the members at the Annual General Meeting

FIXED DEPOSIT

The Company has not accepted any fixed deposit from the public.

DIRECTORS

There was no change in the Directorship of the Company during the year.

AUDITORS

The Auditors of the company M/s Alok Mittal & Associates, Chartered Accountants retire and eligible for re-appointment. The observations of the Auditors in their Report on Accounts read with the relevant notes are self explanatory.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis, Report on Corporate Governance and Auditors' Certificate regarding compliance of the conditions of Corporate Governance are made a part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures in financial statements;
- ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) the directors had prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required in terms of Section 217(1) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

PERSONNEL

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 regarding employees is given in annexure to the directors' Report

LISTING

The Equity Shares of the Company are listed in Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Listing fees for the year 2014-2015 have already been paid to The Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

ACKNOWLEDGEMENT

Your Directors wish to thank and acknowledge the Banks, Government authorities, dealers, suppliers, business associates and the Company's valued Customers for their assistance and cooperation and the esteemed Shareholders for their continued trust and support. The Directors also wish to acknowledge the committee and dedicated team of Aro Granite whose unstinted work, efforts and ideas have taken the Company on a path of steady growth and development.

For and on behalf of the Board

Place: Hosur
Date: 19.04.2014

Sunil K Arora
Managing Director

K L Arora
Director

ANNEXURE TO THE DIRECTORS' REPORT

Information pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988.

CONSERVATION OF ENERGY

The plant installed by the Company is of latest technology and is energy efficient. Power consumption of the Company is very low. During the year under consideration a total 9499848 units were consumed and the per Sq. mt. power consumption cost only Rs. 193.96

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Company has not imported any technology. Effective pollution control system has already been installed in the factory. Total Quality Management System has already implemented. Due to its consistent efforts the company could achieve improvement & development in the quality of the product. It has also achieved process development, cost reduction etc.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The details regarding foreign exchange earnings and outgo are given in Notes to Profit & Loss Account and Balance Sheet.

Statement of Particulars of Employees pursuant to the provisions of Section 217(2A) of the Companies Act 1956 and the Companies (Particulars of Employees) Rules 1975 forming part of the Directors' Report for the year ended March 31, 2014

Employed throughout the year ended March 31, 2014 in receipt of remuneration not less than Rs. 24,00,000/- per annum

Name	Age	Qualification	Experience	Date of Commencement of Employment	Designation Employment	Remuneration	Last
Mr. Sunil K Arora	55 Years	B.Sc	27 Years	03.05.1988	Managing Director	1,61,00,000/-	Since Inception

Management Discussion and Analysis

Granite Industry-Structure and Developments

India is the proud home to vast resources of granite with more than 125 varieties of different colours and textures such as black, grey, pink, multi coloured etc. These varieties are used to produce slabs, tiles, surface plates etc. for use in commercial as well as residential buildings and also used for making of monuments etc. Of these enormous deposits of granites discovered in the country, popular and famous varieties are mainly found in South India.

Export of Granite is freely allowed and is exported mainly to Japan, USA, UK, Germany, Netherlands, Italy, West Asia, Eastern Europe, and Latin America.

Outlook

India, which is blessed with unique colours and large deposits of granite, has already claimed its privileged status as the Number one Country for granites so far as colour, variety, quality and pricing are concerned. With the availability of number of new color of granites found and with the cheap and skilled labor as well as the quality coupled with, India will continue to dominate the granite world in the years to come

Opportunities & Threats for the Indian Granite Industry

The Factors helping the growth of the industry are

1. Introduction of stones for new applications and utilities.
2. Spurt in demand for Indian granites Worldwide.
3. Increased domestic demand
4. Availability of new deposits of granites with new color, texture etc.
5. Recent Stability of Foreign Currency
6. Improvement in power supply

The major threat areas include

1. Non-availability of good quality blocks for processing
2. Lack of proper infrastructure for movement of raw materials and finished goods;
3. Spiraling raw material cost coupled with the continuous increase in other input costs;
4. Paucity of skilled labour, ever increasing labour cost.

Risks and Concerns

The increase in the raw material cost along with other operating expenses blended with the stagnation of selling price of the end products will shrink the profit margin. The increase in competition at both National and International level may result in lower profitability and reduction in selling price.

Product wise Performance

India's Export of Granite during the last two years is as follows.

(Rs in Crores)

	2013-14	2012-13	% in Growth
Total export of Granite products	12047.00	9766.00	23.36
ARO'S Export of Granite Products	239.45	177.96	32.96

Internal Control Systems and their adequacy

The Company has adequate system of internal control relating to the purchase of Raw Materials, Stores, Consumables and Packing Materials and for the sale of goods commensurate with the size of the Company and the nature of business.

The system of internal control of the Company is adequate keeping in mind the size and complexity of your Company's business. Systems are regularly reviewed to ensure effectiveness.

Discussion on Financial Performance with respect to operational Performance

The turn over achieved by the Company for the year ended 31.03.2014 is Rs 253.55 Crores compared to the previous year turnover of Rs. 189.01 Crores showing an increase of 34.15 %. The sales during the year was 8,40,490 Sq Mtrs compared to 6,88,006 Sq Mtrs of the last year. The production during the year was 8,23,632 Sq Mtrs compared to 7,02,093 Sq Mtrs of the last Year. Profit before tax stands at Rs 28.37 Crores against Rs 15.21 Crores of last year. The profit after Tax is Rs 21.09 Crores compared to Rs 11.26 Crores of last year. The earnings per share is Rs 17.11 against Rs 11.04.

Material developments in Human Resources / Industrial Relations front including the number of people employed

The Company continues to invest in training and education of its employees and has been organizing various training programme from time to time.

The Company emphasizes training and motivation as it is the key to improve productivity. Intensive induction program of new recruits and skill based training programs are being carried out. HR policies are being aligned with the current trends in the market. Various welfare activities and incentives are being carried out for staff and workers alike making ARO an enjoyable place to be associated with. The Company maintains cordial relations with its employees and takes all possible care for their welfare.

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company believes in good Corporate Governance, which is an integral part of its business ethics. Through Corporate Governance, the company wants to achieve highest level of transparency, accountability and equity in all its activities and functions. The overall target is to enhance the value of the stakeholders by providing them with all sorts of information with regard to the functioning of the Company and remain committed to the highest level of customer satisfaction and high standard of business ethics in the long run. The Company firmly believes that over a period of time all its operations and actions must serve the underlying goal of enhancing overall shareholders value.

2. BOARD OF DIRECTORS:

The Board of Directors presently consists of Six Directors comprise of five Non-Executive Directors (NED) of which three are Independent. The Board does not have a permanent Chairman. At each Board Meeting, Directors present elect one amongst themselves as the Chairman of the Meeting. Six Board Meetings were held during the Financial Year ended 31st March 2014 on 19th April 2013, 26th July 2013, 18th September 2013, 21st October 2013, 13th December 2013 and 25th January 2014. Attendance and other details are given below:

Name of Director	Category	No. of Board Meetings Attended	Whether last AGM Attended (26.07.2013)	Outside Directorship and Committee positions		
				Directorship#	Committee* Membership	Committee* Chairmanship
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Shri Sunil K Arora Managing Director	Executive	5	YES	NIL	–	–
Shri Kasturi Lal Arora	Non-Executive	6	YES	NIL	–	–
Shri Dinesh Chandra Kothari	Non-Executive & Independent	2	NO	4	5	1
Shri Rahul Gupta	Non-Executive & Independent	6	YES	1	–	–
Smt. Sujata Arora	Non-Executive	1	NO	NIL	–	–
Shri Pradeep Kumar Jain	Non-Executive & Independent	6	YES	NIL	–	–

As per Section 275 read with Section 278 of the Companies Act, 1956 and explanation to clause 49 (1) (c) (ii) of the Listing Agreement with the Stock Exchanges.

* Only covers Memberships/Chairmanships of Audit Committee and Shareholders/Investors Grievance Committee.

The Board periodically reviews Compliance Reports of all laws applicable to the Company and has put in place procedure to review steps to be taken by the Company to rectify instances of non-compliances, if any.

The Company has a Code of Conduct for Management Cadre Staff which is strictly adhered to. In terms of Clause 49 of the Listing Agreement and contemporary practices of good corporate governance, a Code of Conduct was laid down by the Board for all the Board Members and Senior Management of the Company. The said code is available on the Company's website (www.arotile.com). All the Board Members and Senior Management Personnel have affirmed compliance with the said Code. This Report contains a declaration to this effect signed by the Managing Director.

3. AUDIT COMMITTEE:

The Company has an Audit Committee of Directors. The "Terms of Reference" of the Committee are in conformity with the provisions of Section 292A of the Companies Act 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges. The Audit Committee is consists of four Non-Executive Directors namely Shri Dinesh Chandra Kothari (Chairman of the Committee), Shri Kasturi Lal Arora, Shri Rahul Gupta and Shri Pradeep Kumar Jain of which three are Independent. Company Secretary acts as the Secretary of the Committee. During the Financial Year ended 31.03.2014, four meetings of the Audit Committee were held. Dates of meeting (number of Members attended): 19.04.2013(3), 26.07.2013(3), 21.10.2013(3) and 25.01.2014(3).

4. REMUNERATION COMMITTEE (NON-MANDATORY)

Remuneration Committee was not required to be constituted.

5. REMUNERATION PAID TO DIRECTORS

- a) Executive Directors: The aggregate value of Salary, HRA paid during the Financial Year ended 31st March 2014 to Shri Sunil K. Arora, Managing Director was Rs.1,26,00,000/- plus commission of Rs. 35,00,000/-
- b) Non-Executive Directors: During the year 2013-2014, the Company has paid sitting fees aggregating to Rs. 2,10,000/- & Conveyance fee Rs.1,20,000/- & Audit Committee fee Rs.75,000/- to all the Non-Executive Directors for attending the meetings of Board and/or Committee thereof. In addition to sitting fees Rs.7,50,000/- each was paid as commission to Shri Kasturi Lal Arora and Smt. Sujata Arora, Non-Executive Directors..

6. SHAREHOLDER/INVESTORS' GRIEVANCE COMMITTEE

The Company has Shareholders'/ Investors' Grievance Committee at the Board Level which consists of three Directors, namely Shri Kasturi Lal Arora (Chairman of the committee), Shri Sunil K Arora and Shri Dinesh Chandra Kothari. The composition of the committee is in conformity with clause 49(IV)(G)(iii) of the Listing Agreement. Shri Sabyasachi Panigrahi, Company Secretary is the Compliance Officer of the Committee who oversees the investors grievances including Transfer/Transmission of Equity Shares, De-materialisation / Re-materialisation of Equity Shares, non-receipt of Dividend, Annual Reports etc. All the complaints received by the Company have been resolved promptly to the satisfaction of the Shareholders. All the valid requests for transfer of Equity Shares in physical form were processed in time and there are no pending transfers of Equity Shares.

7. GENERAL BODY MEETINGS:

Location and time for the last three Annual General Meetings (AGMs) of the Company were:

Year	Location	Date	Time	Whether Spl. Resolution
2010-11	LakshmiPat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi- 110016	29 th July 2011	10.30 A.M.	YES
2011-12	LakshmiPat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi- 110016	28 th July 2012	10.30 A.M.	YES
2012-13	LakshmiPat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi- 110016	26 th July 2013	10.30 A.M.	YES

8. DISCLOSURES

Disclosures on materially significant related party transactions, i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management or relatives etc. that may have potential conflict with the interest of the Company at large: NONE. Suitable disclosures as required by Accounting Standard (AS-18) on Related Party Transactions has been made in the Annual Report.

Details of Non-Compliances by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any other Statutory Authorities, on any matter related to Capital Market, during the last three years: There was no cases on non-compliances of any matter related to Capital Market during last three years

9. MEANS OF COMMUNICATION

Quarterly, Half-yearly and Annual results are normally published in the leading English newspaper, namely, Financial Express, MINT, Hindu Business Line, Pioneer and Veer Arjun, having wide circulation and promptly furnished to the Stock Exchanges for display on their respective websites. The financial results are also displayed on the Company's website www.arotile.com. "Management Discussion and Analysis" and 'Shareholders Information' forms part of the Annual Report.

10. GENERAL SHAREHOLDER INFORMATION

(i) Registered Office: 1001, 10th floor, DLF Tower 'A', Jasola, New Delhi 110025 (CIN : L74899DL1988PLC031510)

(ii) Annual General Meeting

- (a) Day & Date : Saturday, the 06th September 2014
- Time : 10.30 A.M.
- Venue : LakshmiPat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi 110016

- (b) As required under clause 49(IV)(G)(i), a brief resume and other particulars of the appointment of Directors retiring by rotation at the aforesaid Annual General Meeting and seeking re-appointment are being given in the Explanatory Statement to the Notice convening the said meeting.

(iii) **Financial Calendar (Tentative)**

Financial Reporting for the quarter ending 30.06.2014 for the half-year ending 30.09.2014 for the quarter ending 31.12.2014 for the year ending 31.03.2015 (If unaudited) (If audited) Annual General Meeting for the Financial Year ending 2014-15	}	Within 45 days of the end of the quarter
		Within 60 days of the end of the quarter Between July and September 2015

- (iv) **Date of Book Closure** : From 02.09.2014 to 06.09.2014 (both days inclusive)
- (v) **Dividend Payment Date** : Before 05th October 2014
- (vi) **Listing on Stock Exchange** : The Equity Shares of the Company are listed on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Limited (NSE). Annual Listing Fee for the Financial Year 2014-15 has been paid to BSE and NSE.
- (vii) **Security Code for Company's Equity Shares on Bombay Stock Exchange Ltd. and ISIN No.:** BSE: 513729, NSE: AROGRANITE/EQ, ISIN No.: INE210C01013

(viii) **Stock Market Price Data**

MONTHS (2013-2014)	Bombay Stock Exchange Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	HIGH	LOW	HIGH	LOW
APRIL 2013	33.40	24.70	31.55	25.20
MAY 2013	33.95	27.20	30.70	27.00
JUNE 2013	35.00	21.80	31.85	25.00
JULY 2013	34.00	26.00	30.20	26.60
AUGUST 2013	28.30	25.95	28.00	25.10
SEPTEMBER 2013	38.50	26.05	31.95	26.35
OCTOBER 2013	39.70	24.45	37.55	23.20
NOVEMBER 2013	27.60	21.90	24.10	22.20
DECEMBER 2013	29.00	24.00	24.20	21.30
JANUARY 2014	29.60	25.50	30.10	23.45
FEBRUARY 2014	28.65	24.75	27.70	24.60
MARCH 2014	27.60	22.20	27.50	23.75

(ix) **Distribution of Shareholding as on 31st March 2014**

Category (No. of Shares)	No. of Equity Shares	%	No. of Shareholders	%
1-500	540014	3.53	4722	80.69
501-1000	383060	2.50	556	9.50
1001-5000	819250	5.35	444	7.59
5001-10000	279656	1.83	40	0.68
10001 and above	13278020	86.78	90	1.54
TOTAL	15300000	100.00	5,852	100.00

(x) **Shareholding Pattern as on 31st March 2014**

Sr. No.	Shareholders	No of Shares	% of Shareholding
1	Directors & Relatives	6264631	40.95
2	Non-resident Individuals/OCBs	802364	5.24
3	Private Corporate Bodies	1435202	9.38
4	General Public	6797803	44.43
	Total	15300000	100.00

(xi) **Share Transfer System:**

All valid requests for transfer/transmission of Equity Shares in physical form are processed within a period of 15 days from the date of receipt thereof and the share certificates duly transferred are immediately returned to the transferee/lodger. In the case of Equity Shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.

(xii) **Dematerialisation of Shares & Liquidity:**

Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may therefore, in their own interest, dematerialise their holdings in physical form, with any one of the Depositories namely NSDL and CDSL. The ISIN No. for Equity Shares of the Company for both the depositories is INE210C01013. As on 31st March 2014, 95.65 % of the Equity Shares stand dematerialised. It may be noted that in respect of shares held in demat form, all the requests for nomination, change of address, ECS, Bank Mandate and rematerialisation etc. are to be made only to the Depository Participant (DP) of the Shareholders.

(xiii) **Outstanding GDRs/ADRs/Warrants/Options or any convertible instruments, conversion date and likely impact on Equity**

There are no outstanding GDRs/ADRs/Warrants of the Company.

(xiv) **Corp. Off. & Works At:** Koneripalli Village, Via: Shoolagiri Taluk: Hosur, Dist: Krishnagiri, Tamil Nadu 635 117

(xv) Address for Correspondence regarding share transfers and other matters

Aro granite industries ltd.

Regd. Office
1001, 10th Floor
DLF Tower 'A', Jasola
New Delhi 110 025
Phone No.: 91-11-41686169
Fax No.: 91-11-26941984
E mail: investorgrievance@arotile.com

Registrar & Transfer Agent (RTA)

M/s Alankit Assignments Limited
Alankit Heights, 1E/13,
Jhandewalan Extension
New Delhi 110055
Phone No: 91-11-23541234
91-11-42541234
Fax No.: 91-11-23552001,
91-11-42541201
E mail: alankit@alankit.com

11. DECLARATION

This is to confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the code of conduct for Directors and Senior Management adopted by the Board.

Sunil K Arora
Managing Director

Auditors' Certificate on Corporate Governance

To,

The Members,
Aro granite industries limited,

We have examined the compliance of the conditions of Corporate Governance by Aro granite industries limited, for the year ended 31st March 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors & Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company as on 31st March 2014 there were no investor grievances remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Alok Mittal & Associates,
Chartered Accountants

(Alok K. Mittal)
Partner
M.No. 71205

Place: Hosur
Dt: 19.04.2014

Independent Auditors' Report

To the Members of **ARO GRANITE INDUSTRIES LTD.**

Report on the Financial Statements

We have audited the accompanying financial statements of M/S ARO GRANITE INDUSTRIES LTD. which comprise the Balance Sheet as at March 31, 2014, 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.

Management's Responsibility for the Financial Statements

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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956. 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 issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and 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 amounts 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 considers 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. 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.

1. In our opinion and to the best of our information and according to the explanations given to us, the 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:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
 - c) In the case of Cash Flow Statement, of the 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, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **ALOK MITTAL & ASSOCIATES**

(Firm Reg No – 005717 N)
CHARTERED ACCOUNTANTS

(ALOK K. MITTAL)

PARTNER
M. NO. – 71205

Place: Hosur
Date: 19.04.2014

Annexure to the Auditor's Report

Referred to in our report of even date

- (i) The Company has maintained proper records of fixed assets showing full particulars including quantitative details and situation of fixed assets. All the assets have been physically verified by the management during the year and there is a regular programme of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Fixed assets disposed during the year were not substantial and therefore, do not affect the going concern assumption.
- (ii) The inventory has been physically verified during the year by the Management. The company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification between the physical stocks and the book records.
- (iii) The Company has not taken loans from the parties listed in the register maintained under Sec. 301 of the Companies Act, 1956. The company has not granted any loans to the parties listed in the register maintained under section 301 of the companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods.
- (v) In our opinion and according to the information and explanations given to us, we are of the opinion that there are no contracts or agreements referred to in section 301 of the companies Act, 1956.
- (vi) The Company has not accepted any public deposit, so clause (VI) is not applicable.
- (vii) In our opinion, the Company has internal audit system commensurate with the size and nature of its business.
- (viii) Pursuant to the provision of 209(1)(d) of the Companies Act 1956 The company is required to maintain cost records which are being made in respect of the business being carried out. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete.
- (ix)
 - (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Investors Education & Protection Fund, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other material statutory dues applicable to it.
 - (b) According to information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Sale Tax, Provident Fund, Investors Education & Protection Fund, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess, were in arrears, as at 31st March, 2014 for a period of more than six months from the date they become payable.
 - (c) According to the information and explanation given to us, there are no dues of sale tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) The company has no accumulated losses as at 31st March, 2014, and it has not incurred cash losses during the financial year covered our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us the company has not defaulted in repayment of dues to banks and other financial institution.
- (xii) According to the information and explanations given to us the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities so clause (xii) is not applicable.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv)
 - (a) The Company has not made any dealing in shares during the year under consideration.
 - (b) Based on audit procedures and to the best of our knowledge and belief and according to the information and explanation given to us, the shares and securities have been held by the company in its own name.
- (xv) In our opinion, the company has not given any guarantees for loans taken by others from Banks or Financial institutions.
- (xvi) According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that no fund raised on short - term basis have been used for long -term investment.
- (xviii) The company has not issued any debentures.
- (xix) The company has not raised any money by public issue during this year, so clause (xix) is not applicable.
- (xx) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **ALOK MITTAL & ASSOCIATES**
(Firm Reg No – 005717 N)
CHARTERED ACCOUNTANTS

(ALOK K. MITTAL)
PARTNER
M. NO. – 71205
Place: Hosur
Date: 19.04.2014

Balance Sheet as at 31.03.2014

(Rs. in Lacs)

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
1	2	3	4
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	1,530.00	1,020.00
(b) Reserves and surplus	2	12,662.08	11,241.87
2 Non-current liabilities			
(a) Long-term borrowings	3	–	698.19
(b) Deferred tax liabilities (Net)		1,038.24	906.51
(c) Other Long term liabilities	4	13.05	18.92
(d) Long-term provisions	5	95.22	87.29
3 Current liabilities			
(a) Short-term borrowings	6	10,918.82	8,836.26
(b) Trade payables	7	2,125.00	1,484.31
(c) Other current liabilities	8	390.78	407.13
(d) Short-term provisions	9	420.06	204.00
TOTAL		29,193.25	24,904.48
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	10	8,356.69	8,505.35
(b) Long-term loans and advances	11	86.02	116.55
2 Current assets			
(a) Current investments	12	1.87	1.87
(b) Inventories	13	9,068.72	7,496.21
(c) Trade receivables	14	8,821.42	7,213.04
(d) Cash and cash equivalents	15	1,576.19	325.15
(e) Short-term loans and advances	16	670.87	672.73
(f) Other current assets	17	611.47	573.58
TOTAL		29,193.25	24,904.48
Notes on Accounts	25		

The Notes referred to above and the disclosure thereon form an integral part of the accounts

This is the Balance Sheet referred in our report of even date.

for **ALOK MITTAL & ASSOCIATES**
FIRM REG NO. 005717N
CHARTERED ACCOUNTANTS

[ALOK K. MITTAL]
PARTNER
M No. - 71205
Place: Hosur
Date: 19.04.2014

[SUNIL K. ARORA]
MANAGING DIRECTOR

[K L ARORA]
DIRECTOR

[S PANIGRAHI]
COMPANY SECRETARY

Statement of Profit & Loss for the year ended 31st March 2014

(Rs. in Lacs)

Particulars	Refer Note No.	Figures for the current reporting period	Figures for the previous reporting period
I. Revenue from operations	18	25,133.83	18,725.68
II. Other income	19	467.26	(16.27)
III. Total Revenue (I + II)		25,601.09	18,709.41
IV. Expenses:			
Cost of materials consumed	20	15,368.80	10,933.51
Purchases of Stock-in-Trade		192.96	251.14
Changes in Inventories of finished goods			
work-in-progress and Stock-in-Trade	21	(215.76)	(538.45)
Employee Benefits Expenses	22	1,186.17	1,082.86
Finance Costs	23	534.16	513.30
Depreciation and Amortization Expenses	10	516.13	470.00
Other Expenses	24	5,182.09	4,476.10
Total expenses		22,764.55	17,188.46
V. Profit before tax (III- IV)		2,836.54	1,520.95
VI Tax expense:			
(1) Current tax Payable		743.84	380.01
Less : Mat Credit Entitlement		148.26	75.38
Net Current Tax Liability		595.58	304.63
(2) Deferred tax		131.74	90.39
VII Profit (Loss) for the period (V – VI)		2,109.22	1,125.93
VIII Earnings per equity share:			
(1) Basic		18.18	11.92
(2) Diluted		17.11	11.04
Notes on Accounts	25		

The Note referred to above and the disclosure thereon form an integral part of the accounts

This is the Profit & Loss Account referred in our report of even date.

for **ALOK MITTAL & ASSOCIATES**
FIRM REG NO. 005717N
CHARTERED ACCOUNTANTS

[ALOK K. MITTAL]
PARTNER
M No. - 71205
Place: Hosur
Date: 19.04.2014

[SUNIL K. ARORA]
MANAGING DIRECTOR

[K L ARORA]
DIRECTOR

[S PANIGRAHI]
COMPANY SECRETARY

Cash Flow Statement for the year ended 31st March, 2014

(Rs. in Lacs)

PARTICULARS	2013-14	2012-13
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary item	2,836.54	1,520.95
Adjustments For		
Depreciation Provision	516.13	470.00
Loss/(Profit) on sale of assets	(782.71)	6.95
Interest received	(85.25)	(52.35)
Foreign currency fluctuation (Gain)(Loss (unrealised))	421.77	70.02
Operating Profit before working capital changes	2,906.48	2,015.57
Adjustment for Working Capital Changes		
Decrease/(Increase) in Inventories	(1,572.51)	(824.92)
Decrease/(Increase) in Debtors	(1,608.37)	(1,595.07)
Decrease (Increase) in others current assets	(37.88)	(93.11)
Decrease (Increase) in Loans & Advances	32.38	(264.41)
(Decrease)Increase in Current Liabilities	720.17	(664.54)
Cash from Operations	440.27	(1,426.48)
Less : Income Tax & Other Taxes Paid (Net)	525.99	271.39
Cash flow before Extraordinary items	(85.72)	(1,697.87)
Net cash from operations	(85.72)	(1,697.87)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Addition to fixed assets & capital		
Purchase of Assets	(932.07)	(642.48)
Sale of assets	1,339.54	13.60
Interest Received	85.25	52.35
Net cash from investing Activities	492.72	(576.53)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings (Secured & Unsecured)	1,384.36	2,411.02
Payment of Dividend including Dividend Tax	(118.54)	(118.55)
Net Cash from financing Activities	1,265.82	2,292.47
D. TOTAL INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENT		
Cash equivalent during the year before adjustment for foreign		
Currency fluctuation (A+B+C)	1,672.82	18.07
Adjustment for foreign currency fluctuation (gain)/loss	(421.77)	(70.02)
Cash equivalent during the year after adjustment for foreign		
Currency fluctuation	1,251.05	(51.95)
Cash & Cash equivalents at the beginning of the year	325.15	377.10
Cash & cash equivalent at the end of the year	1,576.20	325.15

The above cash flow statement has been compiled from and is based on the audited accounts of Aro Granite Industries Ltd. for the year ended 31st March 2014 reported upon by us as on 19.04.2014 According to the information and explanation given the aforesaid cash flow statement has been prepared pursuant to clause 32 of the listing agreement with the stock Exchange and their allocation required for purpose are as made by the company.

for **ALOK MITTAL & ASSOCIATES**

FIRM REG NO. 005717N

CHARTERED ACCOUNTANTS

[**ALOK K. MITTAL**]

PARTNER

M No. - 71205

Place: Hosur

Date: 19.04.2014

[**SUNIL K. ARORA**]

MANAGING DIRECTOR

[**K L ARORA**]

DIRECTOR

[**S PANIGRAHI**]

COMPANY SECRETARY

Disclosure Pursuant to Note of Part I of Schedule VI to the Companies Act 1956

(Rs. in Lacs)

NOTES	Figures as at the end of current reporting period		Figures as at the end of previous reporting period		
	Number	Amount	Number	Amount	
1 SHARE CAPITAL					
(a) AUTHORISED					
1,96,00,000 (PY 1,46,00,000) equity shares of Rs. 10 each	1,96,00,000	1,960.00	1,46,00,000	1,460.00	
40,000, 10% Convertible Cumulative Preference Shares					
CCPS) of Rs. 100 each (PY 40,000 CCPS)	40,000	40.00	40,000	40.00	
	1,96,40,000	2,000.00	1,46,40,000	1,500.00	
ISSUED, SUBSCRIBED AND PAID UP					
1,53,00,000 Equity Shares (PY 1,02,00,000 Equity					
Shares) of Rs. 10 each	1,53,00,000	1,530.00	1,02,00,000	1,020.00	
Total	1,53,00,000	1,530.00	1,02,00,000	1,020.00	
(b) Disclosure pursuant to Note no. 1 of Part I of Schedule VI to the Companies Act, 1956 (Following disclosure should be made for each class of Shares)					
Particulars	Equity Shares				
	Number		Rs in Lacs		
Shares outstanding at the beginning of the year	1,02,00,000		1,020.00		
Shares Issued during the year	51,00,000		510.00		
Shares bought back during the year	-		-		
Shares outstanding at the end of the year	1,53,00,000		1,530.00		
(c) Shares in the company held by shareholders holding more than 5% of Shares					
Name of Shareholder	Figures as at the end of current reporting period		Figures as at the end of previous reporting period		
	No. of Shares hold	% of Holding	No. of Shares held	% of Holding	
Sunil Kumar Arora	4869315	31.83	3246210	31.83	
Dilip Kumar Lakhi	1503900	9.83	1002600	9.83	
(d) Shares issued for the period of Five Years Immediately preceeding the date of Balance Sheet. (Following disclosure should be made for each class of Shares)					
Particulars	Year (Aggregate No. of Shares)				
	2013-14	2012-13	2011-12	2010-11	2009-10
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL	NIL	NIL	NIL
Fully paid up by way of bonus shares	51,00,000	NIL	NIL	NIL	NIL
Shares bought back	NIL	NIL	NIL	160,729	722,779.00

(Rs. in Lacs)

NOTES	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
2 RESERVE & SURPLUS		
a. Securities Premium Account		
Opening Balance	407.20	407.20
Less : Premium Utilised for various reasons	–	–
Closing Balance	407.20	407.20
b. General Reserves		
Opening Balance	2,880.68	2,680.68
(+) Current Year Transfer	200.00	200.00
(–) Bonus Issue	(510.00)	–
(–) Written Back in Current Year	–	–
Closing Balance	2,570.68	2,880.68
c. Surplus		
Opening balance	7,953.99	7,142.66
(+) Net Profit/(Net Loss) For the current year	2,109.22	1,125.93
(–) Proposed Dividends	(153.00)	(102.00)
(–) Dividends Tax	(26.01)	(16.54)
(+) Wealth Tax	–	3.94
(–) Transfer to General Reserves	(200.00)	(200.00)
Closing Balance	9,684.20	7,953.99
Total	12,662.08	11,241.87
3 LONG TERM BORROWINGS		
Secured		
(a) Buyers Credit Through HSBC Loan Account – Pedrini (Secured By way of 1st Charge on Plant & Machinery of the company.) Terms of Repayment – Half Yearly	–	195.65
(b) Buyers Credit Through HSBC Loan Account – Gaspri (Secured By way of 1st Charge on Plant & Machinery of the company.) Terms of Repayment – Half Yearly	–	502.54
	–	698.19
4 OTHER LONG TERM LIABILITIES		
Creditors Payables for Capital Goods	13.05	18.92
Total	13.05	18.92
5 LONG TERM PROVISIONS		
Provision for employee benefits		
Gratuity	79.23	72.32
Leave Encashment	15.99	14.97
Total	95.22	87.29

(Rs. in Lacs)

NOTES	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
6 SHORT TERM BORROWINGS		
Secured		
(a) Loans repayable on demand		
i) BOB CC Account	334.84	347.23
ii) Packing Credit BOB & HSBC	8,185.72	6,505.77
iii) Foreign Bill Discounted from Bank BOB & HSBC (Secured By way of hypothecation of stock, Pledge of Govt Securities, ECGC, and Book Debts of the company on Pari Passu basis. Second charge on Fixed Assets of the company created upto 31.03.2013 and First charge on Fixed Assets of the company created after 31.03.2013 and Personal guarantees of Promoters/ Directors Mr. Sunil K Arora, Mr. Kasturi Lal Arora, Smt. Sujata Arora)	1,550.74	1,348.71
(b) Buyers Credit Through HSBC Loan Account – Pedrini	198.13	201.32
(c) Buyers Credit Through HSBC Loan Account – Gaspri	645.96	427.48
(d) Sales Tax Term Loan	3.43	5.75
Total	10,918.82	8,836.26
7 TRADE PAYABLES		
a) Trade Payable Outstanding more than one year	26.20	–
b) Trade Payable Outstanding less than one year	2,098.80	1,484.31
	2,125.00	1,484.31
8 OTHER CURRENT LIABILITIES		
(a) Advance From Customers	104.32	153.66
(b) Unpaid dividends	18.73	18.74
(c) Statutory Dues Payable	31.65	19.91
(d) Other Expenses Payable	235.78	209.88
(e) Service Tax Payable	0.30	4.94
Total	390.78	407.13
9 SHORT TERM PROVISIONS		
(a) Provision for employee benefits		
i) Salary & Reimbursements	146.15	50.27
ii) Contribution to PF & ESI	5.21	5.49
(b) Leave Encashment	0.54	0.64
(c) Provision For Gratuity	2.22	3.95
(d) Provision For Income Tax	86.94	25.11
(e) Provision For Dividend on Equity	153.00	102.00
(f) Provision For Corporate Dividend Tax	26.00	16.54
Total	420.06	204.00

NOTE - 10

Rs. in Lacs

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 1st April 2013	Additions/ (Disposals)	Deletion	Balance as at 31 March 2014	Balance as at 1st April 2013	Depreciation charge for the year	On disposals	Balance as at 31 March 2014	Balance as at 31 March 2013
a									
Tangible Assets									
Land	254.80	256.65	229.51	281.94	-	-	-	281.94	254.80
Buildings	2,780.97	321.67	128.02	2,974.62	632.28	100.14	87.14	645.28	2,148.69
Plant and Equipment	8,168.28	177.27	1,058.52	7,287.03	2,935.30	336.49	797.33	2,474.46	5,232.98
Furniture and Fixtures	69.44	8.87	26.34	51.97	37.00	3.94	21.77	19.17	32.44
Electrical Equipment	725.86	49.75	16.55	759.06	176.44	35.72	13.74	198.42	549.42
Office equipment	177.23	17.97	60.11	135.09	83.52	11.45	47.70	47.27	93.71
Vehicles	290.58	97.64	34.13	354.09	115.21	27.25	20.90	121.56	175.37
Canteen equipment	23.17	2.25	-	25.42	5.23	1.14	-	6.37	17.94
Total	12,490.33	932.07	1,553.18	11,869.22	3,984.98	516.13	988.58	3,512.53	8,505.35
Previous Year	10,381.97	2,164.75	56.39	12,490.33	3,550.78	470.00	35.80	3,984.98	6,831.18

(Rs. in Lacs)

NOTES	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
11 LONG TERM LOANS & ADVANCES		
a. Capital Advances		
Unsecured, considered good	4.16	14.30
b. Security Deposits		
Unsecured Considered Goods	81.86	102.25
Total	86.02	116.55
12 CURRENT INVESTMENT		
Investment in Equity Instrument (Market Value as on 31.03.2014 Rs. 9.25 Lacs)	1.87	1.87
Total	1.87	1.87
13 INVENTORIES		
a. Raw Materials and components (Valued at FIFO)	3,077.14	1,682.96
b. Work-in-progress (Valued at Actual Cost)	378.65	329.55
c. Finished goods (Valued at Actual Cost)	4,424.41	4,257.74
d. Stores and spares (Valued at FIFO)	334.66	464.24
e. Packing Material (Valued at FIFO)	67.52	39.16
f. Consumable (Valued at FIFO)	786.34	722.56
Total	9,068.72	7,496.21
14 TRADE RECEIVABLE		
Trade receivables outstanding for a period less than six months from the date they are due for payment (Unsecured considered good)	8,252.90	6,732.27
	8,252.90	6,732.27
Trade receivables outstanding for a period exceeding six months from the date they are due for payment (Unsecured considered good)	568.52	480.77
	568.52	480.77
Total	8,821.42	7,213.04
15 CASH AND CASH EQUIVALENTS		
a. Balances with banks		
This includes:		
Earmarked Balances (eg/- unpaid dividend accounts)	19.33	19.35
Fixed Deposit with Bank	964.64	225.53
Cash at Bank	587.72	74.01
b. Cash on hand	4.50	6.26
	1,576.19	325.15
16 SHORT TERM LOANS & ADVANCES		
a. Others (specify nature)		
Unsecured, considered good		
Advance For Raw Material Consumables	638.98	645.42
Other Advance	31.89	27.31
	670.87	672.73
17 OTHER CURRENT ASSETS		
Prepaid Expenses	15.58	10.60
Income Tax Refunds Due	5.18	5.18
Material In Transit & others	4.16	17.20
Excise Duty Receivable	4.89	0.54
Margin money with Banks	410.96	390.22
Service Tax Receivable	16.65	24.14
VAT & Sales Tax Receivable	154.05	125.70
	611.47	573.58

Disclosure Pursuant to Note of Part II of Schedule VI to the Companies Act 1956

(Rs. in Lacs)

NOTES	Figures for the current reporting period	Figures for the previous reporting period
18 REVENUE FROM OPERATION		
Sales – Export	23,944.66	17,796.47
Sales – DTA	1,410.68	1,104.44
TOTAL	25,355.34	18,900.91
Less: Excise duty	221.51	175.23
TOTAL	25,133.83	18,725.68
19 OTHER INCOME		
Interest Income	85.25	52.35
Exchange Fluctuation	(421.77)	(70.02)
Long Term Capital Gain on Sale of Land at (U-1)	570.49	–
Profit on Sale of Capital Assets at (U-1)	217.71	–
Other non-operating income (net of expenses)	15.58	1.40
TOTAL	467.26	(16.27)
20 COST OF MATERIAL CONSUMED		
(A) Raw Material Consumption		
OPENING STOCKS	1,682.96	1,602.99
ADD: PURCHASES	13,152.94	8,321.70
	14,835.90	9,924.69
LESS: CLOSING STOCKS	3,077.14	1,682.96
	11,758.76	8,241.73
(B) Consumable Consumption		
OPENING STOCKS	722.56	533.29
ADD: PURCHASES	3,001.22	2,364.92
	3,723.78	2,898.21
LESS: CLOSING STOCKS	786.33	722.56
	2,937.45	2,175.65
(C) Packing Material Consumption		
OPENING STOCKS	39.16	61.90
ADD: PURCHASES	700.96	493.39
	740.12	555.29
LESS: CLOSING STOCKS	67.53	39.16
	672.59	516.13
Cost Of Material Consumed (A+B+C)	15,368.80	10,933.51
21 FINISHED GOODS & WIP		
OPENING STOCKS	4,587.30	4,048.85
CLOSING STOCKS	4,803.06	4,587.30
	(215.76)	(538.45)
22 EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	822.81	755.64
Contribution to Provident and Other Funds	34.28	33.92
Staff Welfare Expenses	109.08	126.30
Managerial Remuneration	220.00	167.00
	1,186.17	1,082.86

(Rs. in Lacs)

NOTES	Figures for the current reporting period	Figures for the previous reporting period
23 FINANCE COST		
Bank Charges	64.54	81.54
Packing Credit	272.44	222.65
Cash Credit	32.91	40.60
Foreign Bills Discounted / Purchases	164.27	130.28
Interest on ICICI Term Loan	–	38.23
	534.16	513.30
24 OTHER EXPENSES		
Adv. & Publicity	10.17	11.50
Auditors Remuneration		
– Auditor's Fee	3.50	3.05
– Tax Audit Fee	1.00	0.91
– Other Management Services	0.40	0.36
Bad Debts Written Off	7.66	10.47
Donation	3.32	0.93
Freight and Forwarding Charges	980.60	796.86
Insurance Expenses	96.98	67.24
Loss on Sale of Assets	5.50	6.95
Legal Expenses	8.63	5.23
Membership & Subscription	4.40	4.90
Misscellaneous Expenses	0.95	2.20
Other Manufacturing Expenses	734.06	596.72
Printing & Stationery	24.33	16.85
Power & Fuel	1,633.87	1,478.90
Professional Service Charges	32.87	25.10
Rent Paid	4.11	8.10
Rates & Taxes	35.83	22.78
Rebate & Discount	81.82	137.20
Repairs to Buildings	154.68	85.29
Repair to Plant & Machinery	247.07	272.04
Repair & Maintenance		
– Electricals	13.91	36.87
– Vehicles	82.77	30.60
– Others	39.06	34.38
Sales Promotion	221.44	123.23
Security Service Charges	44.97	43.52
Stores & Spares Consumptions	481.74	408.02
Telephone & Telex	48.33	37.05
Travelling & Conveyance		
– Employees (Foreign Travel – 48.15 Lacs/–) (P.Y. 56.88 Lacs)	123.55	150.06
– Director (Foreign Travel – 50.96 Lacs (P.Y. 55.03 Lacs)	54.57	58.79
	5,182.09	4,476.10

NOTE - 25

1. Significant Accounting Policies

- a) GENERAL – The accounts are prepared on historical cost basis, and on the accounting principles of going concern. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles
- b) FIXED ASSETS – Fixed assets are stated at the cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition.
- c) DEPRECIATION – Depreciation on fixed assets has been provided on Straight Line Method (SLM) on the basis of useful life of assets for Plant & Machinery and other assets on the rates specified in schedule XIV of the companies Act, 1956, as applicable on the last date of the accounting year.
- d) INVENTORIES – Inventories are valued at the lower of the cost or net realizable value. The cost of the inventories is assigned by using First-in First out (FIFO) Method. Raw material, Stores & Spares and Packing Materials have been valued at cost. Process Stock is valued at cost, which is determined by taking direct material, labor cost and certain related Factory Overheads, Finished Goods have been determined on full absorption cost basis which includes all direct cost, depreciation, etc.
- e) REVENUE RECOGNITION – The Company follows Mercantile System of Accounting and recognizes income and expenditure on accrual basis.
- f) FOREIGN CURRENCY TRANSACTION: Transaction denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transactions.

The outstanding foreign currency assets and liabilities are restated at the year-end rates. The net profit or loss arising on restatement/ settlement is adjusted to the profit & Loss account.

- g) BORROWING COSTS: Borrowing cost that are attributable to the acquisition or constructions of qualifying assets are capitalized as a part of the cost of such assets. A qualifying assets is one that takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.
- h) PROPOSED DIVIDEND: The company provides for the dividend as proposed by the Directors in the books of account, pending approval at the Annual General Meeting.
- i) CONTINGENT LIABILITIES: contingent liabilities are not provided and are disclosed by way of notes.
- j) RETIREMENT BENEFITS – The Company's contribution in respect of Provident Fund is charged against revenue every year. In respect of Gratuity, Provision for Gratuity is made by charging Profit & Loss Account by an amount determined by actuarial valuation.
- k) EARNING PER SHARE (EPS) – The basic earnings per share and diluted earnings per share (EPS) is computed by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares after the issue of bonus share.
- l) DEFERRED TAXATION – Deferred Tax arising from timing difference between book and tax profit is accounted for under the liability method at the current rate of tax, to the extent that the timing difference are expected to crystallize.

2. NOTES TO ACCOUNTS:

- a.
 - i. Bills of Exchange discounted Rs. 1550.74 Lacs (P.Y.Rs.1397.98 Lacs)
 - ii. Guarantee & counter Guarantee Outstanding Rs. 21.40 Lacs (P.Y.Rs. 25.85 Lacs)
 - iii. Letter of Credit Rs 650.83 Lacs (PY. Rs 812.72 lacs)
- b. In compliance with Accounting Standard – 22 relating to "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India, the company has adjusted the deferred tax liability (net) arising out of timing difference for the period upto 31ST MARCH 2014 with the Balance of Deferred Tax Liability (Net) accruing during the year aggregating to Rs. 131.74/ – has been recognized in the Profit and Loss Account.
- c. Major components of Deferred Tax Assets and Liabilities arising on account of timing difference are:

	Assets (Rs. In Lacs)	Liabilities (Rs. In Lacs)
Depreciation	–	1071.55
	–	(936.32)
Provision for Gratuity& EL	33.30	–
	(29.81)	–

- d. Related Party Disclosure : As required by **Accounting Standard – 18** issued by the Institute of Chartered Accountants of India. The disclosures are as given below:

(Rs. In Lacs.)

Sl.No	Name of the Related party	Relationship	Transaction	Amount
1.	Mr. Sunil K Arora	Key management Personnel	Remn./ Comm.–	Rs. 200.00 (Rs 152)
2.	Mrs. Sujata Arora	Director	Commission.–	Rs. 10.00 (Rs 7.5)
3.	Mr. K.L. Arora	Director	Commission –	Rs. 10.00 (Rs.7.5)

- e. Basic Earning Per Share (EPS) as per AS –20

	2013–14	2012–13
EPS (before deferred tax)	18.18	11.92
EPS (after deferred tax)	17.11	11.04

- f. The Company is into the business of Granite Tiles and Slabs on which company have same degree of risk and return. Their production process is also similar. Further the company's revenue from domestic market is negligible. Thus the Company does not have more than one reportable segment in line with the Accounting Standard 17 on "Segmental Reporting" issued by the Institute of Chartered Accountants of India.

- g. There are no Small Scale Undertakings to which Company owes, for more than thirty days and exceeding Rupees One Lac.

- h. Director's Remuneration :

	2013-14 (Rs. In Lacs)	2012-13 (Rs. In Lacs)
I Salary	Rs. 84.00	Rs. 78.00
II Rent Free Accomm. /HRA	Rs. 42.00	Rs. 39.00
III Commission	Rs. 94.00	Rs.. 50.00

- i. Director's Traveling

	2013-14 (Rs. In Lacs)	2012-13 (Rs. In Lacs)
I. Local	Rs. 3.60	Rs. 3.76
II. Foreign	Rs. 50.96	Rs. 55.03

- j. Additional Information pursuant to the provisions of paragraphs, 3, 4C and 4D of part II Schedule of the Companies Act, 1956.

- I. Licensed & Installed Capacity and Actual Production:

Class of goods	Unit	Licensed Capacity (Per annum)		Installed Capacity (Per annum)		Production	
		2014	2013	2014	2013	2014	2013
UNIT –I Granite Tiles	Sq.Mt.	1,80,000	1,80,000	1,80,000	1,80,000	13,754	75,306
UNIT –2 Granite Slabs	Sq.Mt	5,85,000	5,85,000	5,85,000	5,85,000	5,29,139	4,12,181
UNIT –2 Tile Plant	Sq.Mt	3,60,000	3,60,000	3,60,000	3,60,000	2,80,739	2,14,606

(The Installed Capacity has been certified by a Director of the Company on which the Auditors have placed reliance without verification).

II. Particulars in respect of sales :

Class of Goods	Quantity in Sq.M.		(Rs. in Lacs)	
	Year ended 31.03.2014	year ended 31.03.2013	year ended 31.03.2014	year ended 31.03.2013
UNIT-I –Tile Plant	39,074	66,247	278.75	883.02
UNIT-II– Slab Plant	5,29,385	4,10,036	20,133.12	14418.21
UNIT-II –Tile Plant	2,72,031	2,11,723	4,943.45	3599.68

k. Details of Finished Goods :

I. Details of Opening Stock :

Class of Goods	Quantity in Sq.M.		(Rs. in Lacs)	
	Year ended 31.03.2014	year ended 31.03.2013	year ended 31.03.2014	year ended 31.03.2013
UNIT-I –Tile Plant	25,320	16,260	254.16	146.51
UNIT-II –Slab Plant	1,71,412	1,69,267	2888.81	2556.65
UNIT-II –Tile Plant	98,800	95,917	1114.77	1098.31

II. Details of Closing Stocks :

Class of Goods	Quantity in Sq.M.		(Rs. in Lacs)	
	Year ended 31.03.2014	year ended 31.03.2013	year ended 31.03.2014	year ended 31.03.2013
UNIT-I – Tile Plant	NIL	25,320	NIL	254.16
UNIT-II– Slab Plant	1,71,166	1,71,412	3530.81	2888.81
UNIT-II –Tile Plant	1,07,508	98,800	1093.59	1114.77

I. Details of Raw materials consumed during the year :

UNIT-I: TILE PLANT	Quantity in (In CBM)		(Rs. in Lacs)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Rough Blocks				
Indigenous	401.851	1343.194	115.70	338.55
Imported	12.86	21.53	5.64	11.40
Stores, Spares, Consumables &Packing			150.73	248.52
Imported			0.00	44.88
Indigenous			150.73	203.64

UNIT-II: SLAB PLANT	Quantity in (In CBM)		(Rs. in Lacs)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Rough Blocks				
Indigenous	13,959.027	11,418.704	6243.85	4764.94
Imported	4055.078	2383.198	3849.09	2104.14
Stores, Spares, Consumables &Packing			3116.28	2252.26
Imported			1658.84	1222.11
Indigenous			1457.44	1030.15

UNIT-II: TILE PLANT	Quantity in (In CBM)		(Rs. in Lacs)	
Rough Blocks	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Indigenous	4568.460	3478.152	1350.34	894.86
Imported	273.104	200.624	194.14	127.84
Stores, Spares, Consumables & Packing			824.78	599.01
Imported			134.98	170.25
Indigenous			689.80	428.76

m. Earning in Foreign Exchange :

	Year ended 31.03.2014 (Rs. In Lacs)	Year ended 31.03.2013 (Rs. In Lacs)
Export of Goods (FOB)	23,661.55	17,796.47

n. Expenditure in Foreign Currency :

	Year Ended 31.03.2014 (Rs. in Lacs)		Year Ended 31.03.2013 (Rs. in Lacs)	
Value of Imports (CIF)				
Capital Goods	177.26	3.71 %	1110.15	22.10 %
Raw Materials	3353.00	69.30 %	1940.60	38.60 %
Consumables	999.28	20.70%	1515.13	30.10 %
Stores & Spares	168.83	3.5 %	290.64	5.70 %
Overseas Business Travelling	100.00	2.1 %	155.68	3.10 %
Other Expenses	38.59	0.8 %	19.45	0.40 %

o. Auditors Remuneration: (Including Service Tax)

	Year ended 31.03.2014 (Rs. In Lacs)	Year ended 31.03.2013 (Rs. In Lacs)
Audit Fee	3.93	3.43
Tax Audit Fee	1.12	1.02
Other Management Services	0.45	0.41
	5.50	4.86

p. Previous years figures have been regrouped wherever necessary to confirm to this years classification, in terms of our report of even date.

q. Figures shown in bracket are related to Previous year in the Financial statement and are in INR (In Lacs)

for **ALOK MITTAL & ASSOCIATES**
FIRM REG NO. 005717N
CHARTERED ACCOUNTANTS

[ALOK K. MITTAL]
PARTNER
M No. - 71205
Place: Hosur
Date: 19.04.2014

[SUNIL K. ARORA]
MANAGING DIRECTOR

[K L ARORA]
DIRECTOR

[S PANIGRAHI]
COMPANY SECRETARY

ANNEXURE - I

REFERRED TO IN PARAGRAPH 4 TO THE ACCOUNTS IN SCHEDULE 15 AND FORMING PART OF THE BALANCE SHEET

BALANCE SHEET EXTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	55-31510	State Code	55
Balance Sheet Date	31 DATE	03 MONTH	2014 YEAR

II Capital Raised during the year (amount in Rs. Thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	5,100	Private Placement	NIL

III Position of Mobilisation and Development of Funds (Amount in Rs. Thousand)

Source of Funds

Total Assets	2,919,325	Total Liabilities	2,919,325
Paid up Capital	153,000	Reserves & Surplus	1266208
Secured Loans	1,091,882	Unsecured Loans	Nil
Net Fixed Assets	835,669	Investments	187
Net Current Assets	1,788,579	Misc. Expenditure	Nil
Accumulated Loss	Nil		

IV Performance of Company (Amount in Rs. Thousand)

Turnover	2,535,533	Total Expenditure	2,276,455
Profit/Loss before Tax	283,653	Profit/Loss after Tax	210,921
Earning Per Share	17.11	Dividend Rate	10%

Generic name of the Three Principal Product/Services of the Company
(As per monetary terms)

ITC code No.

680233

Product Description

GRANITE TILES & SLABS

Aro granite industries Ltd.

(CIN: L748990DL1988PLC031510)

Regd. Office: 1001, 10th Floor, DLF Tower 'A', Jasola, New Delhi - 110025

Phone: 011-41686169, Fax: 011- 26941984

Website: www.arotile.com, E-mail : investorgrievance@arotile.com

ADMISSION SLIP

Folio No. / DP ID / Client ID #	
No. of Equity Shares held	

I hereby record my presence at the 26th Annual General Meeting of the Company being held at LakshmiPat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi 110016 on Saturday, the 6th September 2014 at 10.30 A.M.

Name of the Shareholder (in block letters)
Name of Proxy /Authorised Representative attending* (in block letters)

*Strike out whichever is not applicable

#Applicable for shareholders holding shares in dematerialised form.

Signature of the attending Shareholder/Proxy/Authorised Representative*

Note: Please produce this Admission Slip duly filled and signed at the entrance of the meeting hall. Shareholders intending to appoint a proxy may use the Proxy Form given below.

Aro granite industries Ltd.

(CIN: L748990DL1988PLC031510)

Regd. Office: 1001, 10th Floor, DLF Tower 'A', Jasola, New Delhi - 110025

Phone: 011-41686169, Fax: 011- 26941984

Website: www.arotile.com, E-mail : investorgrievance@arotile.com

PROXY FORM

Name of the member(s):	
Registered Address:	
E-Mail ID:	
Folio No./DPID/Client ID:	

I /Webeing the member(s) of Aro granite industries limited, holding shares hereby appoint :

- (1) Name: _____ Address: _____
E Mail ID: _____ Signature: _____ or falling him;
- (2) Name: _____ Address: _____
E Mail ID: _____ Signature: _____ or falling him;
- (3) Name: _____ Address: _____
E Mail ID: _____ Signature: _____ or falling him;

as my/ our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 26th Annual General Meeting of the Company to be held on Saturday, the 6th September 2014 at 10.30 A.M. at LakshmiPat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi 110016 and at any adjournment thereof in respect of the resolutions as are indicated overleaf:

Resolution Number	Resolution
ORDINARY BUSINESS	
1	Adoption of audited Financial Statements for the year ended 31st March 2014.
2	Declaration of Dividend for the year ended 31st March 2014.
3	Appointment of Shri Kasturi Lal Arora, Director who retires by rotation and being eligible Offers himself for re-appointment.
4	Appointment of Smt. Sujata Arora, Director who retires by rotation and being eligible Offers herself for re-appointment.
5	Appointment of Shri Pradeep Kumar Jain, Director who retires by rotation and being eligible Offers himself for re-appointment.
6	Appointment of M/s Alok Mittal & Associates, Chartered Accountants, as Statutory Auditors from the conclusion of 26th AGM until the conclusion of 31st AGM.
SPECIAL BUSINESS	
7	Revision of the terms & conditions of Appointment of Managing Director.
8	Re-appointment of Shri Dinesh Chandra Kothari as an Independent Director for five years from the date of 26th Annual General Meeting
9	Re-appointment of Shri Rahul GUpta as an Independent Director for five years from the date of 26th Annual General Meeting
10	Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for borrowing money up to Rs. 300 Crores
11	Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of charge/mortgage on the properties of the Company to secure the borrowing up to Rs. 300 Crores
12	Payment of commission to the non-executive directors of the Company

Signed this _____ Day of _____ 2014

Signature of Shareholder

Signature of Proxy holder(s)

Affix
revenue
stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at 1001, 10th Floor, DLF Tower 'A', Jasola, New Delhi - 110025, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.



Aro granite industries ltd.

(100% Export Oriented Unit)

Tel: 91-4344 252100

Fax: 91-4344 252217

Email: aro@arotile.com

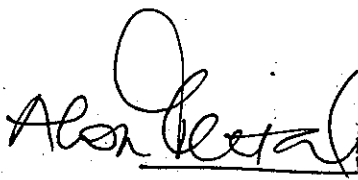

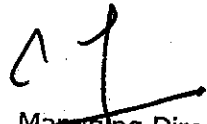

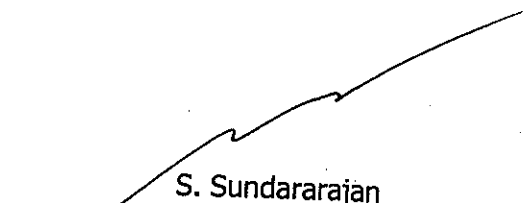
Website: www.arotile.com



Aro granite industries Ltd.

FORM A

Annual Audit Report to be filed with the Stock Exchanges along with the Audited Annual Accounts pursuant to Clause 31(a) of the Listing Agreement

1	Name of the Company	Aro granite industries ltd.
2	Annual Financial Statements for the year ended	31 st March 2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A.
5	<p>For Alok Mittal & Associates Chartered Accountants</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">  (Alok K. Mittal) Partner Firm Registration No: 005717N Membership No.: 71205 </div> <div style="width: 10%; text-align: center;">  </div> <div style="width: 40%;">  Managing Director </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;">  Audit Committee Chairman </div> <div style="width: 65%; text-align: right;">  S. Sundararajan Corporate Head-Finance & Commercial </div> </div>	

CERTIFIED TRUE COPY

For Aro Granite Industries Ltd.


Company Secretary

CORP. OFF. & WORKS :

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