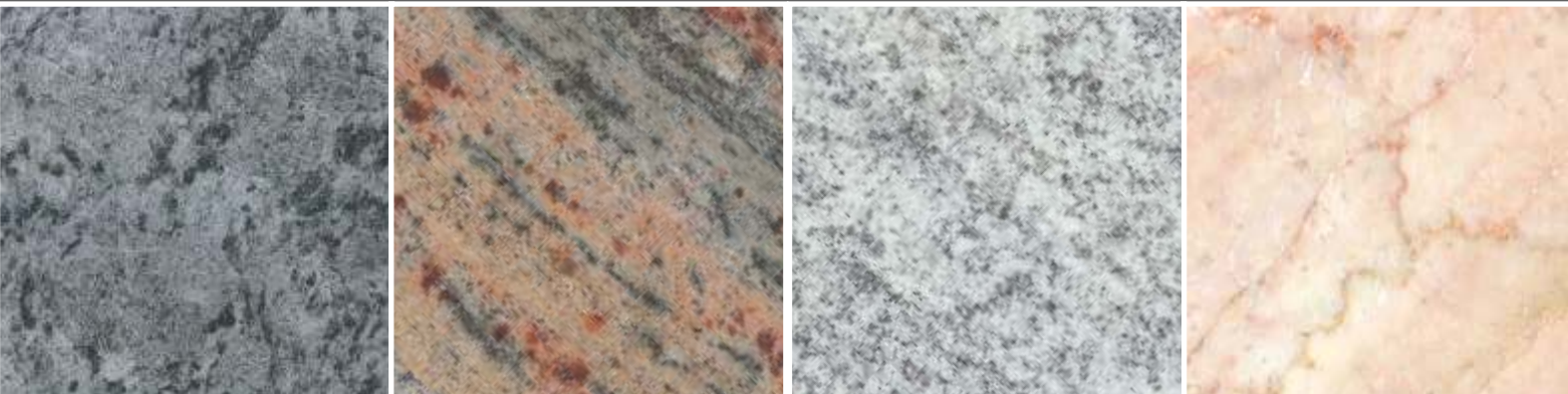


25th Annual Report
2012-13



Aro granite industries ltd.

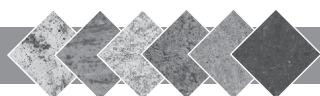
(100% Export Oriented Unit)
An ISO 9001:2008 Company



Table of Contents

From the desk of Managing Director	1	Auditors' Report	16
Financial Highlights	2	Balance Sheet	18
Key Indicators	3	Statement of Profit & Loss Account	19
Notice	4	Cash Flow	20
Directors' Report	7	Notes	21
Management Discussion & Analysis	9	Significant Accounting Policies	28
Corporate Governance Report	11	Annexure -I	32
Auditors' Certificate on Corporate Governance	15		





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
ICICI Bank Ltd.

Registered Office
S-16, Second Floor, Green Park Extension,
New Delhi 110 016, India
Phone: 91-11-26511021, Fax: 91-11-26511022

Unit I
103, Sipcot Industrial Complex, Hosur, 635126
Tamil Nadu, India

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 House, 2E/21, 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 25th 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.187.26 Crores which is 17.60% higher than the last year's turnover. At the same time the Company has posted a pre-tax profit of Rs. 15.21 Crores against a pre-tax profit of Rs.11.88 Crores of the previous year which is a 28% Increase in pre tax profits. This has resulted in an increase in profitability from 7.46% to 8.12%

The increase in turnover and profit is attributed to a 50% increase in capacity in the slab plant as the expansion was completed in Q3. Despite the fact that there has been an increase in raw material cost across our entire range of colours, we have been able to increase the profitability. 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 sign of the recovery in the World economy did not crystallize till the final quarter of the year. We are optimistic that the scenario will continue to be positively during this year and we can achieve better results with the passing of time and with our sincere & dedicated efforts.

Due to the closure of a large no of quarries by the Tamil Nadu government there is an acute shortage of domestic granite rough blocks. We are looking to counter this by increasing our purchase of Rough Blocks from Africa, Brazil, Norway, Finland and Ukraine. This has create a unique advantage for us. Firstly our customers from around the world get a one stop shop for colours from around the world and secondly the average selling price is higher for these material as compared to the domestic ones

For the coming year we aim to sustain the same aggressive strategy which has resulted in a 10.5% increase in the sales to North America, 35% increase in business in Poland, 12% increase in Australia and New Zealand and a 10% increase in Germany.

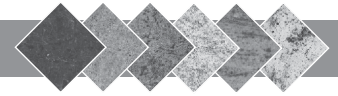
In the past years we have expanded our business scope to include almost 50 countries and in the coming year we will look to maintain relationships with the existing customers and look for even more alternative and untapped countries.

We are also proud to announce that we are the first Indian Granite company to be awarded with the Integrated Management Systems (IMS) Certificate which include QMS 9001:2008, EMS 14001:2004, and OHSAS 18001:2007 from TUV Nord, Germany.

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 2013-14 a truly rewarding year.

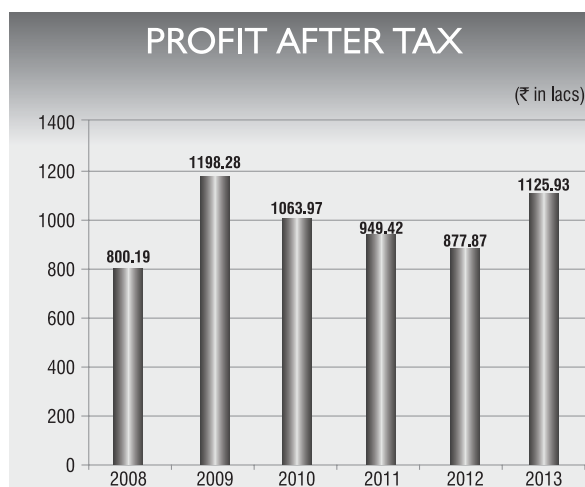
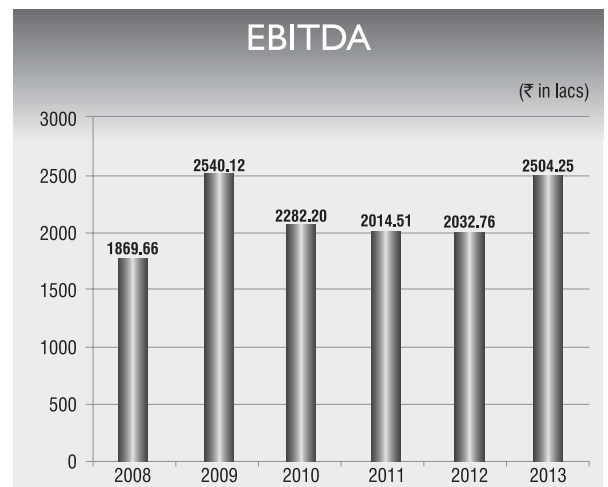
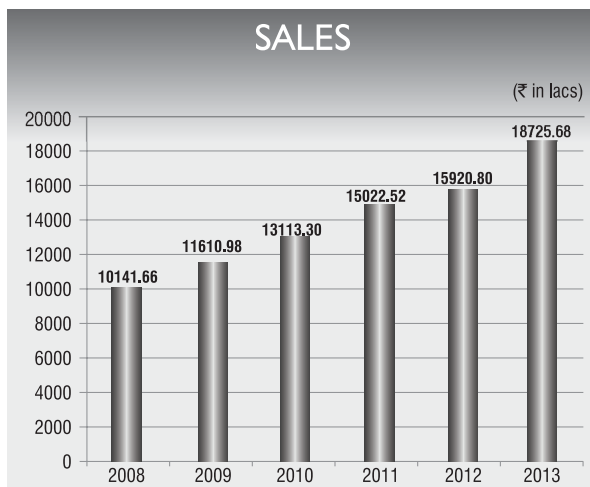
As always, I continue to seek your good wishes and support our visions and goals

Sunil K Arora
Hosur, 19.04.2013



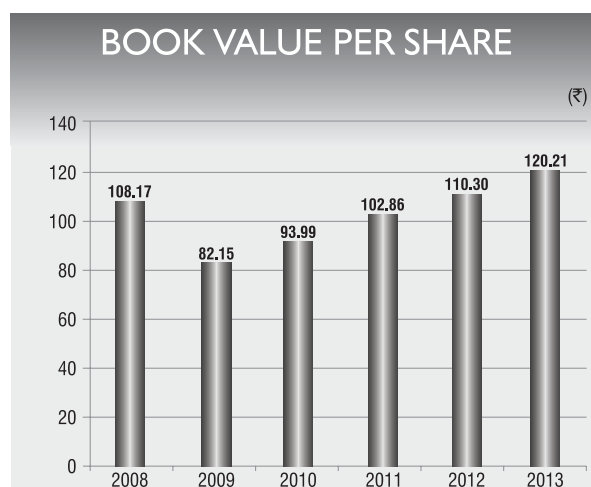
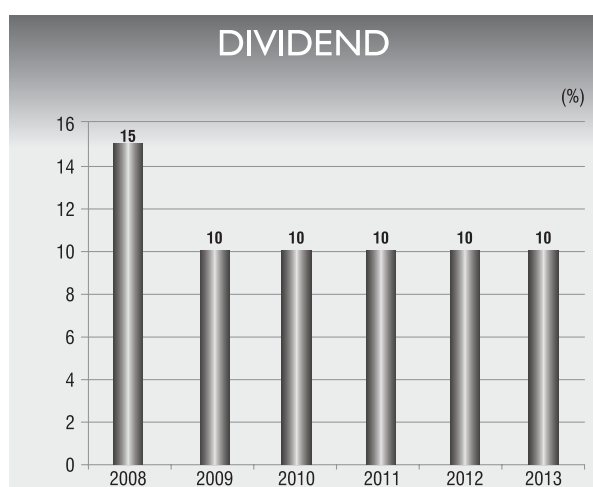
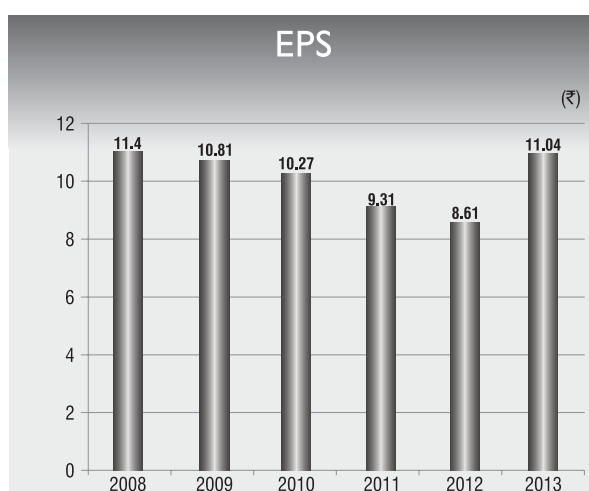
Financial Highlights

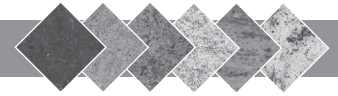
Description	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Sales	6084.42	7358.17	7784.62	10403.02	10141.66	11610.98	13113.30	15022.52	15920.80	18725.68
EBITDA	1323.26	1667.31	1287.27	2029.08	1869.66	2540.12	2282.2	2014.51	2032.76	2504.25
Depreciation	174.51	181.91	233.51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



Key Indicators

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





Notice

NOTICE is hereby given that the 25th Annual General Meeting of the members of **ARO GRANITE INDUSTRIES LIMITED** will be held on Friday, the 26th July 2013 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 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the financial year ended 31st March 2013 and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Dinesh Chandra Kothari, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Rahul Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit to pass, with or without modification(s), the following as **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 224 of the Companies Act 1956, M/s Alok Mittal & Associates, Chartered Accountants, New Delhi be and are hereby appointed as Auditors of the Company from the conclusion of the 25th Annual General Meeting upto the conclusion of the next Annual General Meeting on a remuneration to be fixed by the of Board of Directors of the Company."

AS SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following as **Ordinary Resolution**;

"RESOLVED THAT pursuant to the provisions of section 94(1)(a) of the Companies Act 1956 and other applicable provisions, if any, of the Companies Act 1956 or any Statutory modification(s) or re-enactment(s) thereof, the Authorised Share Capital of the Company be and is hereby increased from Rs. 15,00,00,000 (Rupees Fifteen Crores) to Rs. 20,00,00,000 (Rupees Twenty Crores) by creation of 50,00,000 (Fifty Lacs) Equity Shares of Rs. 10 (Rupees Ten) each ranking parri passu with the existing equity shares."

"RESOLVED FURTHER THAT the Clause V of the Memorandum of Association of the Company be and is hereby substituted by the following

V. The Authorised Capital of the Company is Rs. 20,00,00,000 (Rupees Twenty Crores) divided into

1,96,00,000 (One Crore Ninety Six Lacs) Equity Shares of Rs. 10 (Rupees Ten) each and 40,000 (Forty Thousand), 10% Cumulative Convertible Preference Shares(CCPS) of Rs. 100 (Rupees One Hundred) each, which would be convertible into Equity Shares between the end of 3 years and 5 years from the date of issue as may be decided by the Company and approved by Controller of Capital Issue."

7. To consider and if thought fit, to pass with or without modification(s) the following as **Special Resolution**;

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act 1956, the existing Article 3 of the Articles of Association of the Company be and is hereby substituted by the following

3. The Authorised Capital of the Company is Rs. 20,00,00,000 (Rupees Twenty Crores) divided into

1,96,00,000 (One Crore Ninety Six Lacs) Equity Shares of Rs. 10(Ten) each and 40,000(Forty Thousand), 10% Cumulative Convertible Preference Shares(CCPS) of Rs. 100/-(Rupees One Hundred) each, which would be convertible into Equity Shares between the end of 3 years and 5 years from the date of issue as may be decided by the Company and approved by Controller of Capital Issue."

8. To consider and if thought fit, to pass with or without modification(s) the following as **Special Resolution**;

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act 1956, existing Article 31 of the Articles of Association of the Company be and is hereby substituted by the following;

Article No. 31: Power for Capitalisation

(1) The Board of Directors of the Company shall have power:

- a) to capitalise any of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3), either in or towards-
- paying up any amounts for the time being unpaid or any shares held by such members respectively;
 - paying up in full, unissued shares or other securities or financial instruments of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; or
 - partly in the way specified in sub-clause (i) and partly in that specified in sub-clause(ii)
- (3) A share premium account and a capital redemption reserve account may, for the purpose of this regulation, only be applied in the paying up of unissued shares to be members of the company as fully paid bonus shares.

Article No 31A: Power for appropriation

- (1) The Board of Directors of the Company shall have power to
- make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all the allotments and issues of fully paid shares or other securities or financial instruments, if any; and
 - generally do all acts and things required to give effect thereto.
- (2) The Board of Directors of the Company shall have power
- to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares or debentures becoming distributable in fractions; and also
 - to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid up for any further shares or other securities or financial instruments to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, or the amounts or any part of the amounts remaining unpaid on their existing shares.
 - Any agreement made under such authority shall be effective and binding on all such members."

For & on behalf of the Board

Place: Hosur
Date: 19th April, 2013

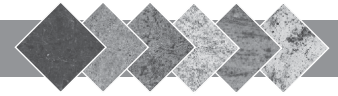
(Sunil K Arora)
Managing Director

NOTES:

- Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 with respect to items no. 6 to 8 forming part of this notice is annexed hereto.
- 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. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.**
- The Share Transfer Books and Register of Members of the Company shall remain closed from 19.07.2013 to 26.07.2013 (Both days inclusive).
- 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 shall be borne on the Company's Register of Members on July 26, 2013 or to their mandatees. 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.
- Brief resume of Shri Dinesh Chandra Kothari and Shri Rahul Gupta whose appointment as Directors liable to retire by rotation (proposed at Item No. 3 & 4) is given hereunder:

Shri 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.

Mr. Rahul Gupta is a seasoned professional with twenty four 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 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 completed his Bachelor of Technology degree in Mechanical Engineering from Punjab Engineering College, India and MBA in finance from Kurukshetra University, India.

EXPLANATORY STATEMENT U/S 173(2) OF THE COMPANIES ACT 1956

Item No 6 & 7

In order to facilitate further growth of the Company and otherwise the Authorised Share Capital of the of the Company is being increased from Rs. 15,00,00,000/- (Rupees Fifteen Crores) to Rs. 20,00,00,000/- (Rupees Twenty Crores) by creation of 50,00,000 (Fifty lacs) equity shares of Rs. 10/- (Rupees Ten) Only. Consequently Clause V of the Memorandum of Association and Article 3 of Articles of Association of the Company are proposed to be altered.

Item No 8

In order to empower the Board of Directors of the Company to Capitalise any of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and make appropriation of the same from time to time, it was decided by the Board of Director of the Company to give enabling authority to the Board for the above purpose by insertion of specific articles in the Articles of Association of the Company. The Board recommends the resolution for approval of the Shareholder by means of Special Resolution. The Directors of the Company may be deemed to be concerned or interested to the extent of their shareholding in the Company.

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.
3. 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 House, 2E/21, 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. In case of any difficulty, please write to the **Company Secretary at S-16, Second Floor, Green Park Extension, New Delhi 110016 or E mail: investorgrievance@arotile.com**. Please quote your folio no/DP ID/Client ID or numbers of shares for prompt attention.
4. To avoid fraudulent encashment of Dividend Warrant, Members are requested to advise the details of their Bank Account i.e. Name and address of the Bank, Account No and Name of the Account Holder(s) for printing on the Dividend Warrants.
5. Pursuant to Section 205C of the Companies Act 1956, the amount of dividend which remain unclaimed/unpaid for a period of 7 years is required to be transferred by the Company to the Investors Education and Protection Fund (IE&PF) constituted by the Central Government. Accordingly unclaimed/unpaid dividend for the year ended 31.03.2006 will be transferred to IE&PF. 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 said dividend warrants may write to the Company for revalidation/issue of duplicate dividend warrants quoting their folio no/DP ID/Client ID.
6. Copies of Annual Reports will not be distributed at the Meeting. Members are therefore requested to bring their copies to the meeting.

Directors' Report

The Directors' have pleasure in presenting the 25th Annual Report together with Audited Accounts of the Company for the year ended on 31st March 2013.

FINANCIAL RESULTS

(Rs. in lacs)

	31.03.2013	31.03.2012
Gross Profit before Depreciation	1990.95	1605.42
Depreciation	470.00	417.84
Net Profit before Tax	1520.95	1187.58
Provision for Tax – Current	380.01	318.00
– MAT Credit	75.38	79.95
– Deferred	90.39	71.66
Surplus available for appropriation	1125.93	877.87
Dividend (including Dividend Tax)	118.54	118.55
Amount transferred to General Reserve	200.00	200.00
Surplus carried to Balance Sheet	7953.99	7142.66

WORKING RESULTS

During the year the company has achieved a sales turnover of Rs. 187.26 Crores which is approximately 17.60% higher than the last year's turnover of Rs. 159.21 Crores. At the same time the Company has posted a pre-tax profit of Rs. 15.21 Crores against a pre-tax profit of Rs. 11.88 Crores of the previous year.

The expansion programme undertaken by the Company for the addition of 4 gang-saws (taking the total to 12 gang-saws) along with other allied machines has been completed and the commercial production has started in the third quarter of the fiscal. This has resulted in the increased turnover, pre-tax profit and overall profitability of the Company.

The sign of the recovery in the World economy did not crystallize to the extent expected but was better than the scenario of the previous years. Slowly the world market is coming out of the recessional impact and well documented euro zone crisis. We are optimistic that the scenario will change positively during this year.

The quality of rough granite blocks available from the domestic quarries is still an issue. Another factor which has contributed to this problem is closing down of large number of quarries in the State of Tamil Nadu leading to an acute shortage of good quality blocks thereby resulting in increase of prices of the available granite blocks. The company is continuing to import rough granite blocks from South Africa, Brazil, Finland, Madagascar, Spain and Norway to augment the supply of raw materials to meet its requirements.

We are also proud to announce that we are the first Indian Granite company to be awarded with the Integrated Management Systems (IMS) Certificate which include QMS 9001:2008, EMS 14001:2004, and OHSAS 18001:2007 from TUV Nord, Germany.

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 2013 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

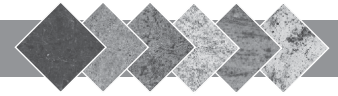
There was no change in the Directorship of the Company during the year.

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 2013-2014 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: 19.04.2013

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 4800282 units were consumed and the per Sq. mt. power consumption cost only Rs. 210.36

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, 2013

Employed throughout the year ended March 31, 2013 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	54 Years	B.Sc	26 Years	03.05.1988	Managing Director	1,29,00,000/-	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.

The major threat areas include

1. Non-availability of good quality blocks for processing;
2. Shortage of power and high dependency on diesel affecting the production as well as the cost of finished goods;
3. Lack of proper infrastructure for movement of raw materials and finished goods;
4. Spiraling raw material cost coupled with the continuous increase in other input costs;
5. 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. Further unstable currency fluctuations too affect the profitability of the Company.

Product wise Performance

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

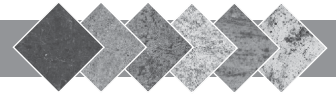
(Rs in Crores)

	2012-13	2011-12	% in Growth
Total export of Granite products	8316.00 (approx.)	7700.00 (approx.)	8.00 (approx.)
ARO'S Export of Granite Products	177.96	148.41	19.91

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 31.03.2013 is Rs 187.26 Crores compared to the previous year turnover of Rs 159.21 Crores showing an increase of 17.62 %. The sales during the year was 6,88,006 Sq Mtrs compared to 6,64,839 Sq Mtrs of the last year. The production during the year was 7,02,093 Sq Mtrs compared to 7,17,896 Sq Mtrs of the last year. Profit before tax stands at Rs 15.21 Crores against Rs 11.88 Crores of last year. The profit after Tax is Rs 11.26 Crores compared to Rs 8.78 Crores of last year. The Earning Per Share is Rs 11.04 against Rs 8.61

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. Four Board Meetings were held during the Financial Year ended 31st March 2013 on 14th April 2012, 28th July 2012, 19th October 2012 and 14th January 2013. Attendance and other details are given below:

Name of Director	Category	No. of Board Meetings Attended	Whether last AGM Attended (04.08.2011)	Outside Directorship and Committee positions		
				Directorship#	Committee* Membership	Committee* Chairmanship
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Shri Sunil K Arora Managing Director	Executive	4	YES	NIL	-	-
Shri Kasturi Lal Arora	Non-Executive	2	YES	NIL	-	-
Shri Dinesh Chandra Kothari	Non-Executive & Independent	1	YES	3	5	1
Shri Rahul Gupta	Non-Executive & Independent	4	YES	2	-	-
Smt. Sujata Arora	Non-Executive	1	NO	NIL	-	-
Shri Pradeep Kumar Jain	Non-Executive & Independent	4	NO	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.

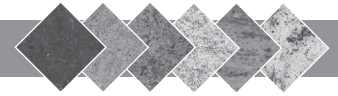
* Only covers Memberships/Chairmanships of Audit Committee and Shareholders/Investors Grievance Committee.

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 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 31.03.2013, four meetings of the Audit Committee were held. Dates of meeting (number of Members attended): 14.04.2012(2), 28.07.2012(3), 19.10.2012(4) and 14.01.2013(2).



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 2013 to Shri Sunil K. Arora, Managing Director was Rs.1,17,00,000/- plus commission of Rs. 12,00,000/-
- b) **Non-Executive Directors:** During the year 2012-2013, the Company has paid sitting fees aggregating to Rs. 1,90,000/- to all the Non-Executive Directors for attending the meetings of Board and/or Committee thereof. In addition to sitting fees Rs.5,00,000/- 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.

6. 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
2009-10	Lakshmipat Singhanian Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi- 110016	29th July 2010	10.30 A.M.	YES
2010-11	Lakshmipat Singhanian Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi- 110016	29th July 2011	10.30 A.M.	YES
2011-12	Lakshmipat Singhanian Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi- 110016	28th July 2012	10.30 A.M.	YES

7. 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

8. 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.

9. GENERAL SHAREHOLDERS' INFORMATION

- (i) Registered office : S-16, Second Floor, Green Park Extn., New Delhi-110016
- (ii) Annual General Meeting
 - (a) Day & Date : Friday, the 26th July 2013
 - Time : 10.30 A.M.
 - Venue : Lakshmipat Singhanian 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 30.06.2013 for the half-year ending 30.09.2013 for the quarter ending 31.12.2013 for the year ending 31.03.2014 (If audited)	Within 45 days of the end of the quarter
Annual General Meeting for the Financial Year 2013-14	Within 60 days of the end of the quarter Between July and September 2014

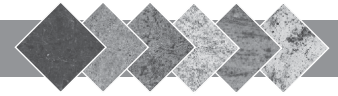
- (iv) **Date of Book Closure** : From 19.07.2013 to 26.07.2013 (both days inclusive)
- (v) **Dividend Payment Date** : Before 25th August 2013
- (vi) **Listing on Stock Exchange** : The Equity Shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). Annual Listing Fee for the Financial Year 2013-14 has been paid to BSE and NSE.
- (vii) **Security Code for Company's Equity Shares on Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and ISIN No.** : BSE: 513729, NSE: AROGRANITE/EQ, ISIN No.: INE210C01013

(viii) **Stock Market Price Data**

MONTHS (2012-2013)	Bombay Stock Exchange Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	HIGH	LOW	HIGH	LOW
APRIL 2012	37.85	33.55	37.95	33.05
MAY 2012	37.00	30.60	35.40	30.45
JUNE 2012	35.00	30.80	34.70	30.00
JULY 2012	35.90	32.00	34.90	32.10
AUGUST 2012	34.95	31.00	34.75	30.05
SEPTEMBER 2012	34.50	31.00	34.60	29.70
OCTOBER 2012	41.00	32.05	40.95	31.50
NOVEMBER 2012	37.95	32.20	38.90	31.10
DECEMBER 2012	37.30	32.20	38.95	28.50
JANUARY 2013	37.60	31.80	38.35	31.60
FEBRUARY 2013	35.15	28.80	35.20	25.00
MARCH 2013	31.85	26.10	34.70	25.15

(ix) **Distribution of Shareholding as on 31st March 2013**

Category (No. of Shares)	No. of Equity Shares	%	No. of Shareholders	%
1-500	620348	6.08	5142	88.49
501-1000	271654	2.66	352	6.06
1001-5000	448119	4.39	212	3.65
5001-10000	235441	2.31	33	0.57
10001 and above	8624438	84.55	72	1.24
TOTAL	1,02,00,000	100.00	5,811	100.00



(x) 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.

(xi) 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 2013, 95.20 % 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.

(xii) 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.

(xiii) Plant Locations

Unit I	103, SIPCOT Industrial Complex Hosur, Tamil Nadu, 635 126
Corp. Off. & Works	At: Koneripalli Village, Via: Shoolagiri Taluk: Hosur, Dist: Krishnagiri Tamil Nadu 635 117

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

Aro granite industries Ltd. Regd. Office S-16, Second Floor Green Park Extension New Delhi 110 016 Phone No.: 91-11-26511021 Fax No.: 91-11-26511022 Contact person: Sabyasachi Panigrahi (Email: sabyasachi@arotile.com) E mail: investorgrievance@arotile.com	Registrar & Transfer Agent (RTA) M/s Alankit Assignments Limited Alankit House, 2E/21, Jhandewalan Extension New Delhi 110055 Phone No: 91-11-23541234 91-11-42541234 Fax No.: 91-11-23552001, 91-11-42541201 Contact person: Mr. R A Pandey (Email: ramap@alankit.com) E mail: alankit@alankit.com
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10. UNCLAIMED EQUITY SHARES

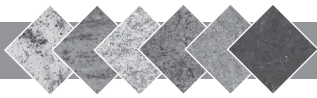
In terms of Clause 5A of the Listing Agreement, the Company has through its RTA sent requisite reminders to Shareholders whose share certificates were returned to the Company as undelivered mail or lying unclaimed, requesting them to provide the complete postal address and other relevant details, along with self attested photocopies of PAN Card and proof of address to enable the RTA to dispatch such unclaimed share certificates to them. Necessary steps are being taken to transfer the aforesaid unclaimed Equity shares to "Unclaimed Suspense Account".

The "Unclaimed Suspense Account" shall be held by the Company purely on behalf of the allottees and the Shares held in such Suspense Account shall not be transferred except to the allottees as and when they approach the Company,

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 2013, 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.

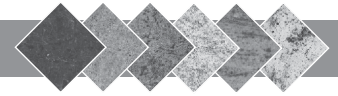
As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company as on 31st March 2013 there were no investor grievances remaining unattended/pending for more than 30 days.

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: 19.04.2013



Auditors' Report

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

We have audited the attached Balance Sheet of **ARO GRANITE INDUSTRIES LTD. as at 31st March 2013**. The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion:

As required by the Companies (Auditors Report) Order, 2003 as amended by the Companies (Auditors' Report) Amendment Order, 2004 issued by the Central Government in terms of Sec. 227 (4A) of The Companies Act, 1956, we annex hereto a statement on the matters specified in the paragraph 4 and 5 of the said order

Further to our comments in the annexure referred to in above paragraph, 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 the audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from examination of the books;
- c) The Balance Sheet, Statement of Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion the Statement of Profit & Loss Account, Balance Sheet and Cash Flow Statement comply with the accounting standards specified by the Institute of Chartered Accountants of India referred to in sub section (3c) of section 211 of the Companies Act, 1956.
- e) On the basis of written representation received from the directors as on 31.03.2013, none of the directors are disqualified as on 31st March 2013 from being appointed as directors in terms of clause (g) of Section 274 of The Companies Act 1956.
- f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by The Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) In the case of Balance Sheet, the state of the affairs of the Company as at 31st March, 2013.
 - ii) In the case of Statement of Profit & Loss, of the Profit of the company for the period ending on that date; and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

(ALOK K. MITTAL)
 PARTNER
 M. NO. – 71205

Place: Hosur
 Date: 19.04.2013

Annexure to the Auditor's Report

Referred to in our report of even date

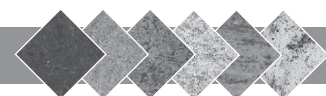
- (i) The Company has maintained proper records of fixed assets showing full particulars including quantitative details and situation of fixed assets. All the assets have been physically verified by the management during the year and there is a regular programme of verification which in our opinion is 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, 2013 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, 2013, 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) To the best of our knowledge and belief and according to the information and explanation given to us, the Company has taken Buyer's Credit from The Hong Kong and Shanghai Banking Corporation Limited for USD 27,20,623 (INR 1,496 Lacs) during the financial year.
- (xvii) 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: 19.04.2013



Balance Sheet as at 31.03.2013

(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	1,020.00	1,020.00
(b) Reserves and surplus	2	11,241.87	10,230.54
2 Non-current liabilities			
(a) Long-term borrowings	3	698.19	312.46
(b) Deferred tax liabilities (Net)		906.51	816.13
(c) Other Long term liabilities	4	18.92	932.62
(d) Long-term provisions	5	87.29	58.17
3 Current liabilities			
(a) Short-term borrowings	6	8,836.26	6,810.97
(b) Trade payables		1,484.31	1,494.04
(c) Other current liabilities	7	407.13	166.55
(d) Short-term provisions	8	204.00	185.54
TOTAL		24,904.48	22,027.02
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	9	8,505.35	6,831.18
(ii) Capital work-in-progress	9	-	1,522.27
(b) Long-term loans and advances	10	116.55	163.89
2 Current assets			
(a) Current investments	11	1.87	1.87
(b) Inventories	12	7,496.21	6,671.29
(c) Trade receivables	13	7,213.04	5,617.97
(d) Cash and cash equivalents	14	325.15	377.10
(e) Short-term loans and advances	15	672.73	360.98
(f) Other current assets	16	573.58	480.47
TOTAL		24,904.48	22,027.02
Notes on Accounts	24		

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: 19.04.2013

[SUNIL K. ARORA]
 MANAGING DIRECTOR

[K L ARORA]
 DIRECTOR

[S PANIGRAHI]
 COMPANY SECRETARY

Statement of Profit & Loss for the year ended 31st March 2013

(Rs. in Lacs)

Particulars	Refer Note No.	Figures for the current reporting period	Figures for the previous reporting period
I. Revenue from operations	17	18,725.68	15,920.80
II. Other income	18	(16.27)	(52.82)
III. Total Revenue (I + II)		18,709.41	15,867.98
IV. Expenses:			
Cost of materials consumed	19	10,933.51	9,592.76
Purchases of Stock-in-Trade		251.14	277.58
Changes in Inventories of finished goods work-in-progress and Stock-in-Trade	20	(538.45)	(740.13)
Employee Benefits Expenses	21	1,082.86	860.23
Finance Costs	22	513.30	427.34
Depreciation and Amortization Expenses	9	470.00	417.84
Other Expenses	23	4,476.10	3,844.78
Total expenses		17,188.46	14,680.40
V. Profit before tax (III- IV)		1,520.95	1,187.58
VI Tax expense:			
(1) Current tax Payable		380.01	318.00
Less : Mat Credit Entitlement		75.38	79.95
Net Current Tax Liability		304.63	238.05
(2) Deferred tax		90.39	71.66
VII Profit (Loss) for the period (V - VI)		1,125.93	877.87
VIII Earnings per equity share:			
(1) Basic		11.92	9.30
(2) Diluted		11.04	8.61
Notes on Accounts	24		

The Notes 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.

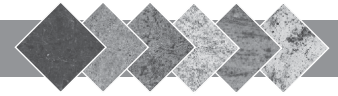
for **ALOK MITTAL & ASSOCIATES**
FIRM REG NO. 005717N
CHARTERED ACCOUNTANTS

[ALOK K. MITTAL]
PARTNER
M No. - 71205
Place: Hosur
Date: 19.04.2013

[SUNIL K. ARORA]
MANAGING DIRECTOR

[K L ARORA]
DIRECTOR

[S PANIGRAHI]
COMPANY SECRETARY



Cash Flow Statement for the year ended 31st March, 2013

(Rs. in Lacs)

PARTICULARS	2012-13	2011-12
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary item	1,520.95	1,187.58
Adjustments For		
Depreciation Provision	470.00	417.84
Loss/(Profit) on sale of assets	6.95	0.61
Interest received	(52.35)	(49.25)
Foreign currency fluctuation (Gain) (Loss unrealised)	(70.02)	(102.24)
Operating Profit before working capital changes	1,875.53	1,454.54
Adjustment for Working Capital Changes		
Decrease/(Increase) in Inventories	(824.92)	(983.94)
Decrease/(Increase) in Debtors	(1,595.07)	(1,119.02)
Decrease (Increase) in others current assets	(93.11)	(35.43)
Decrease (Increase) in Loans & Advances	(264.41)	(64.70)
(Decrease)Increase in Current Liabilities	(664.54)	1,277.04
Cash from Operations	(1,566.52)	528.49
Less : Income Tax & Other Taxes Paid (Net)	271.39	251.34
Cash flow before Extraordinary items	(1,837.91)	277.15
Net cash from operations	(1,837.91)	277.15
B. CASH FLOW FROM INVESTING ACTIVITIES		
Addition to fixed assets & capital		
Purchase of Assets	(642.48)	(2,006.83)
Sale of assets	13.60	1.10
Interest Received	52.35	49.25
Net cash from investing Activities	(576.53)	(1,956.48)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings (Secured & Unsecured)	2,411.02	1,431.28
Buy back of Shares	-	-
Payment of Dividend including Dividend Tax	(118.55)	(118.94)
Net Cash from financing Activities	2,292.47	1,312.34
D. TOTAL INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT		
Cash equivalent during the year before adjustment for foreign		
Currency fluctuation (A+B+C)	(121.97)	(366.99)
Adjustment for foreign currency fluctuation (gain)/loss	70.02	102.24
Cash equivalent during the year after adjustment for foreign		
Currency fluctuation	(51.95)	(264.75)
Cash & Cash equivalents at the beginning of the year	377.10	641.85
Cash & cash equivalent at the end of the year	325.15	377.10

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 2013 reported upon by us as on 19.04.2013 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: 19.04.2013

[SUNIL K. ARORA]

MANAGING DIRECTOR

[K L ARORA]

DIRECTOR

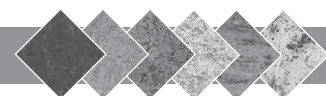
[S PANIGRAHI]

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					
1,46,00,000 (PY 1,46,00,000) equity shares of Rs. 10 each	1,46,00,000	1,460.00	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	
	1,46,40,000	1,500.00	1,46,40,000	1,500.00	
ISSUED, SUBSCRIBED AND PAID UP					
1,02,00,000 Equity Shares (PY 1,02,00,000 Equity Shares) of Rs. 10 each	1,02,00,000	1,020.00	1,02,00,000	1,020.00	
Total	1,02,00,000	1,020.00	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	-		-		
Shares bought back during the year	-		-		
Shares outstanding at the end of the year	1,02,00,000		1,020.00		
(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	3246210	31.83	3246210	31.83	
Dilip Kumar Lakhi	1002600	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)				
	2012-13	2011-12	2010-11	2009-10	2008-09
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	NIL	NIL	NIL	NIL	3,694,500
Shares bought back	NIL	NIL	160,729	722,779	NIL

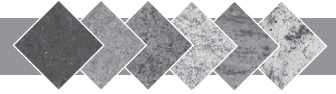


(Rs. in Lacs)

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	2,680.68	2,480.68
(+) Current Year Transfer	200.00	200.00
(-) Written Back in Current Year	-	-
Closing Balance	2,880.68	2,680.68
c. Surplus		
Opening balance	7,142.66	6,583.34
(+) Net Profit/(Net Loss) For the current year	1,125.93	877.87
(-) Proposed Dividends	(102.00)	(102.00)
(-) Dividends Tax	(16.54)	(16.55)
(+) Wealth Tax	3.94	-
(-) Transfer to General Reserves	(200.00)	(200.00)
Closing Balance	7,953.99	7,142.66
Total	11,241.87	10,230.54
3 LONG TERM BORROWINGS		
Secured		
(a) Buyers Credit Through HSBC Loan Account - Pedrini (Secured By way of exclusive charge on the machine financed by this loan.) Terms of Repayment - Half Yearly	195.65	109.96
(b) Buyers Credit Through HSBC Loan Account - Gaspari (Secured By way of 1st Charge on the Plant & Machinery of Unit II of the company on paripassu basis with ICICI Bank) Terms of Repayment - Yearly	502.54	202.50
	698.19	312.46
4 OTHER LONG TERM LIABILITIES		
Creditors Payables for Capital Goods	18.92	932.62
Total	18.92	932.62
5 LONG TERM PROVISIONS		
Provision for employee benefits		
Gratuity	72.32	49.39
Leave Encashment	14.97	8.78
Total	87.29	58.17

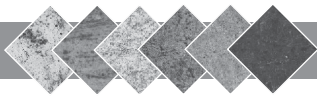
(Rs. in Lacs)

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	347.23	269.76
ii) Packing Credit BOB & HSBC	6,505.77	4,977.41
iii) Foreign Bill Discounted from Bank BOB & HSBC (Secured By way of hypothecation of stock, Pledge of Govt Securities, ECGC, and Book Debts of both the Units of the company on Pari Passu basis. Second charge on Fixed Assets of the Unit - II and Personal guarantees of Promoters/ Directors Mr. Sunil K Arora, Mr. Kasturi Lal Arora, Smt. Sujata Arora)	1,348.71	894.52
(b) Term loans	-	484.00
from the ICICI Bank Ltd (Secured By way of 1st Charge on all the Immovable and Movable assets including all Movable Machinery and Movable Fixes Assets of Unit II both present and future also secured by personal guarantee of Mr. Sunil K Arora) Terms of Repayment - Half Yearly		
(c) Buyers Credit Through HSBC Loan Account - Pedrini	201.32	75.46
(d) Buyers Credit Through HSBC Loan Account - Gaspri	427.48	101.25
(e) Sales Tax Term Loan	5.75	8.57
Total	8,836.26	6,810.97
7 OTHER CURRENT LIABILITIES		
(a) Interest accrued but not due on borrowings	-	0.57
(b) Advance From Customers	153.66	72.12
(c) Unpaid dividends	18.74	18.55
(d) Statutory Dues Payable	19.91	25.03
(e) Other Expenses Payable	209.88	50.28
(f) Service Tax Payable	4.94	-
Total	407.13	166.55
8 SHORT TERM PROVISIONS		
(a) Provision for employee benefits		
i) Salary & Reimbursements	50.27	62.11
ii) Contribution to PF & ESI	5.49	4.93
(b) Leave Encashment	0.64	0.93
(c) Provision For Gratuity	3.95	3.19
(d) Provision For Income Tax	25.11	(4.16)
(e) Provision For Dividend on Equity	102.00	102.00
(f) Provision For Corporate Dividend Tax	16.54	16.54
Total	204.00	185.54


NOTE - 9

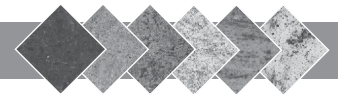
Rs. in Lacs

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1st April 2012	Balance as at 1st April 2012	Deletion	Balance as at 1st April 2012	Depreciation charge for the year	On disposals	Balance as at 31 March 2013	Balance as at 31 March 2012
a Tangible Assets								
Land	254.80	-	-	-	-	-	254.80	254.80
Buildings	2,565.37	215.60	-	543.05	89.23	-	632.28	2,148.69
Plant and Equipment	6,555.23	1,613.05	-	2,622.75	312.55	-	2,935.30	5,232.98
Furniture and Fixtures	69.44	-	-	32.60	4.40	-	37.00	36.84
Electrical Equipment	495.48	269.70	39.32	169.75	27.45	20.76	176.44	325.73
Office equipment	153.80	23.43	-	73.50	10.02	-	83.52	80.30
Vehicles	266.42	41.23	17.07	104.98	25.27	15.04	115.21	161.43
Canteen equipment	21.43	1.74	-	4.15	1.08	-	5.23	17.28
Total	10,381.97	2,164.75	56.39	3,550.78	470.00	35.80	3,984.98	6,831.18
Previous Year	9,901.20	484.55	3.79	3,135.02	417.84	2.08	3,550.78	6,766.18
b Capital Work In Progress	-	-	-	-	-	-	-	-
Previous Year	-	1,522.27	-	-	-	-	1,522.27	-
Total	-	1,522.27	-	-	-	-	-	1,522.27



(Rs. in Lacs)

NOTES	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
10 LONG TERM LOANS & ADVANCES		
a. Capital Advances		
Unsecured, considered good	14.30	67.82
b. Security Deposits		
Unsecured Considered Goods	102.25	96.07
Total	116.55	163.89
11 CURRENT INVESTMENT		
Investment in Equity Instrument (Market Value as on 31.03.2013 Rs. 8.48 Lacs)	1.87	1.87
Total	1.87	1.87
12 INVENTORIES		
a. Raw Materials and components (Valued at FIFO)	1,682.96	1,602.99
b. Work-in-progress (Valued at Actual Cost)	329.55	247.37
c. Finished goods (Valued at Actual Cost)	4,257.74	3,801.49
d. Stores and spares (Valued at FIFO)	464.24	424.26
e. Packing Material (Valued at FIFO)	39.16	61.90
f. Consumable (Valued at FIFO)	722.56	533.28
Total	7,496.21	6,671.29
13 TRADE RECEIVABLE		
Trade receivables outstanding for a period less than six months from the date they are due for payment (Unsecured considered good)	6,732.27	5,161.47
	6,732.27	5,161.47
Trade receivables outstanding for a period exceeding six months from the date they are due for payment (Unsecured considered good)	480.77	456.50
	480.77	456.50
Total	7,213.04	5,617.97
14 CASH AND CASH EQUIVALENTS		
a. Balances with banks*		
This includes:		
Earmarked Balances (eg/- unpaid dividend accounts)	19.35	19.15
Fixed Deposit with Bank	225.53	107.26
Cash at Bank	74.01	233.37
b. Cash on hand	6.26	17.32
	325.15	377.10
15 SHORT TERM LOANS & ADVANCES		
a. Others (specify nature)		
Unsecured, considered good		
Advance For Raw Material Consumables	645.42	203.85
Other Advance	27.31	157.13
	672.73	360.98
16 OTHER CURRENT ASSETS		
Prepaid Expenses	10.60	15.14
Income Tax Refunds Due	5.18	-
Material In Transit & others	17.20	0.94
Excise Duty Receivable	0.54	0.19
Margin money with Banks	390.22	377.63
Service Tax Receivable	24.14	14.58
VAT & Sales Tax Receivable	125.70	71.99
	573.58	480.47



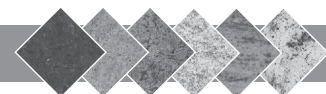
Disclosure Pursuant to Note of Part II of Schedule VI to the Companies Act 1956

(Rs. in Lacs)

NOTES	Figures for the current reporting period	Figures for the previous reporting period
17 REVENUE FROM OPERATION		
Sales - Export	17,796.47	15,026.90
Sales - DTA	1,104.44	1,011.13
TOTAL	18,900.91	16,038.03
Less: Excise duty	175.23	117.23
TOTAL	18,725.68	15,920.80
18 OTHER INCOME		
Interest Income	52.35	49.25
Exchange Fluctuation	(70.02)	(102.26)
Other non-operating income (net of expenses)	1.40	0.19
TOTAL	(16.27)	(52.82)
19 COST OF MATERIAL CONSUMED		
(A) Raw Material Consumption		
OPENING STOCKS	1,602.99	1,564.10
ADD: PURCHASES	8,321.70	7,071.89
	9,924.69	8,635.99
LESS: CLOSING STOCKS	1,682.96	1,602.99
	8,241.73	7,033.00
(B) Consumable Consumption		
OPENING STOCKS	533.29	437.14
ADD: PURCHASES	2,364.92	2,151.46
	2,898.21	2,588.60
LESS: CLOSING STOCKS	722.56	533.29
	2,175.65	2,055.31
© Packing Material Consumption		
OPENING STOCKS	61.90	76.63
ADD: PURCHASES	493.39	489.72
	555.29	566.35
LESS: CLOSING STOCKS	39.16	61.90
	516.13	504.45
Cost Of Material Consumed (A+B+C)	10,933.51	9,592.76
20 FINISHED GOODS & WIP		
OPENING STOCKS	4,048.85	3,308.72
CLOSING STOCKS	4,587.30	4,048.85
	(538.45)	(740.13)
21 EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	755.64	594.62
Contribution to Provident and Other Funds	33.92	29.31
Staff Welfare Expenses	126.30	106.30
Managerial Remuneration	167.00	130.00
	1,082.86	860.23

(Rs. in Lacs)

NOTES	Figures for the current reporting period	Figures for the previous reporting period
22 FINANCE COST		
Bank Charges	81.54	112.90
Packing Credit	222.65	78.26
Cash Credit	40.60	36.42
Interest on Income Tax	-	0.88
Foreign Bills Discounted / Purchases	130.28	116.48
Interest on ICICI Term Loan	38.23	82.40
	513.30	427.34
23 OTHER EXPENSES		
Adv. & Publicity	11.50	9.45
Auditors Remuneration		
- Auditor's Fee	3.05	2.75
- Tax Audit Fee	0.91	0.83
- Other Management Services	0.36	0.33
Bad Debts Written Off	10.47	-
Donation	0.93	0.58
Freight and Forwarding Charges	796.86	749.74
Insurance Expenses	67.24	53.57
Loss on Sale of Assets	6.95	0.61
Legal Expenses	5.23	5.80
Membership & Subscription	4.90	3.30
Misscellaneous Expenses	2.20	2.20
Other Manufacturing Expenses	596.72	566.29
Printing & Stationery	16.85	18.75
Power & Fuel	1,478.90	1,067.11
Professional Service Charges	25.10	13.79
Rent Paid	8.10	9.26
Rates & Taxes	22.78	22.01
Rebate & Discount	137.20	69.28
Repairs to Buildings	85.29	162.21
Repair to Plant & Machinery	272.04	227.87
Repair & Maintenance		
- Electricals	36.87	23.71
- Vehicles	30.60	22.90
- Others	34.38	29.19
Sales Promotion	123.23	214.96
Security Service Charges	43.52	40.87
Stores & Spares Consumptions	408.02	317.65
Telephone & Telex	37.05	34.36
Travelling & Conveyance		
- Employees (Foreign Travel - 56.88 Lacs/-) (P.Y. 35.03 Lacs)	150.06	136.80
- Director (Foreign Travel - 55.05 Lacs (P.Y. 34.85 Lacs)	58.79	38.61
	4,476.10	3,844.78



NOTE - 24

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) basis and on pro-rata basis 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) 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. 1397.98 Lacs (PY.Rs.1093.14 Lacs)
 - ii. Guarantee & counter Guarantee Outstanding Rs. 25.85 Lacs (PY.Rs. 50.85 Lacs)
 - iii. Letter of Credit Rs. 812.72 Lacs (PY. Rs 751.15 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 2013 with the Balance of Deferred Tax Liability (Net) accruing during the year aggregating to Rs.90.39/- 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	-	936.32 (836.80)
Provision for Gratuity & EL	29.81 (20.69)	

- 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. 152 (Rs. 120)
2.	Mrs. Sujata Arora	Director	Commission.	Rs. 7.5 (Rs. 5)
3.	Mr. K.L. Arora	Director	Commission	Rs. 7.5 (Rs. 5)

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

	2012-13	2011-12
EPS (before deferred tax)	11.92	9.30
EPS (after deferred tax)	11.04	8.61

- 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 :

	2012-13 (Rs. In Lacs)	2011-12 (Rs. In Lacs)
I Salary	Rs. 78.00	Rs. 72.00
II Rent Free Accomm. /HRA	Rs. 39.00	Rs. 36.00
III Commission	Rs. 50.00	Rs. 22.00

- i. Director's Traveling

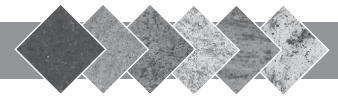
	2012-13 (Rs. In Lacs)	2011-12 (Rs. In Lacs)
I. Local	Rs. 3.76	Rs. 3.57
II. Foreign	Rs. 55.03	Rs. 35.03

- 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	
		2013	2012	2013	2012	2013	2012
UNIT -1 Granite Tiles	Sq.Mt.	1,80,000	1,80,000	1,80,000	1,80,000	75,306	77,579
UNIT -2 Granite Slabs	Sq.Mt	5,85,000	3,90,000	5,85,000	3,90,000	4,12,181	3,96,467
UNIT -2 Tile Plant	Sq.Mt	3,60,000	3,60,000	3,60,000	3,60,000	2,14,606	2,43,850

(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 31.03.2013	year ended 31.03.2012	year ended 31.03.2013	year ended 31.03.2012
UNIT-I -Tile Plant	66,247	72,340	883.02	775.19
UNIT-II- Slab Plant	4,10,036	3,64,202	14,418.21	11590.25
UNIT-II -Tile Plant	2,11,723	2,28,297	3,599.68	3672.58

k. Details of Finished Goods :

I. Details of Opening Stock :

Class of Goods	Quantity in Sq.M.		(Rs. in Lacs)	
	Year ended 31.03.2013	year ended 31.03.2012	year ended 31.03.2013	year ended 31.03.2012
UNIT-I -Tile Plant	16,260	11,021	146.51	86.14
UNIT-II -Slab Plant	1,69,267	1,37,022	2556.65	2079.54
UNIT-II -Tile Plant	95,917	80,364	1098.31	810.22

II. Details of Closing Stocks :

Class of Goods	Quantity in Sq.M.		(Rs. in Lacs)	
	Year ended 31.03.2013	year ended 31.03.2012	year ended 31.03.2013	year ended 31.03.2012
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	1,114.77	1098.31

I. Details of Raw materials consumed during the year :

UNIT-I: TILE PLANT	Quantity in (In CBM)		(Rs. in Lacs)	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Rough Blocks				
Indigenous	1343.194	1296.359	338.55	313.44
Imported	21.53	3.95	11.40	Nil
Stores, Spares, Consumables &Packing			248.52	306.73
Imported			44.88	12.85
Indigenous			203.64	293.88

UNIT -II-SLAB PLANT	Quantity in (In CBM)		(Rs. in Lacs)	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Rough Blocks				
Indigenous	11,418.704	10517.316	4764.94	3839.25
Imported	2383.198	2039.808	2104.14	1651.47
Stores, Spares, Consumables &Packing			2252.26	2018.94
Imported			1222.11	1117.43
Indigenous			1030.15	901.51

UNIT -II-TILE PLANT	Quantity in (In CBM)		(Rs. in Lacs)	
Rough Blocks	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Indigenous	3478.152	4226.859	894.86	1137.90
Imported	200.624	244.145	127.84	131.90
Stores, Spares, Consumables &Packing			599.01	1266.99
Imported			170.25	211.61
Indigenous			428.76	1055.38

m. Earning in Foreign Exchange :

	Year ended 31.03.2013 (Rs. In Lacs)	Year ended 31.03.2012 (Rs. In Lacs)
Export of Goods (FOB)	17796.47	14841.48

n. Expenditure in Foreign Currency :

	Year Ended 31.03.2013 (Rs. in Lacs)		Year Ended 31.03.2012 (Rs. in Lacs)	
Value of Imports (CIF)				
Capital Goods	1110.15	22.10 %	1880.59	39.00%
Raw Materials	1940.60	38.60%	1639.06	34.00%
Consumables	1515.13	30.10%	947.85	19.70%
Stores & Spares	290.64	5.70%	209.51	4.40%
Overseas Business Travelling	155.68	3.10%	119.29	2.50%
Other Expenses	19.45	0.40%	19.69	0.40%

o. Auditors Remuneration: (Including Service Tax)

	Year ended 31.03.2013 (Rs. In Lacs)	Year ended 31.03.2012 (Rs. In Lacs)
Audit Fee	3.43	3.09
Tax Audit Fee	1.02	0.92
Other Management Services	0.41	0.36
	4.86	4.38

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)

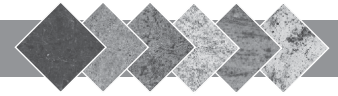
for **ALOK MITTAL & ASSOCIATES**
FIRM REG NO. 005717N
CHARTERED ACCOUNTANTS

[ALOK K. MITTAL]
PARTNER
M No. - 71205
Place: Hosur
Date: 19.04.2013

[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 BUSINES PROFILE

I Registration Details

Registration No.	55-31510	State Code	55
Balance Sheet Date	31 DATE	03 MONTH	2013 YEAR

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

Public Issue NIL	Right Issue NIL
Bonus Issue NIL	Private Placement NIL

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

Source of Funds

Total Assets 2,490,448	Total Liabilities 2,490,448
Paid up Capital 102000	Reserves & Surplus 1124187
Secured Loans 953445	Unsecured Loans Nil
Net Fixed Assets 850535	Investments 187
Net Current Assets 1428290	Misc. Expenditure Nil
Accumulated Loss Nil	

IV Performance of Company (Amount in Rs. Thousand)

Turnover 1890091	Total Expenditure 1718846
Profit/Loss before Tax 152095	Profit/Loss after Tax 112593
Earning Per Share 11.04	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

Our Geographical Spread





Aro granite industries ltd.

(100% Export Oriented Unit)
An ISO 9001:2008 Company

Tel: 91-4344 252100

Fax: 91-4344 252217

Email: aro@arotile.com

Website: www.arotile.com

Aro granite industries ltd.

Attendance slip

Regd. Office: S-16, Second Floor, Green Park Extension, New Delhi-110016 (India)

NAME:

FOLIO NO/CLIENT ID

ADDRESS

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the Twenty Fifth Annual General Meeting of the Company at Lakshmipat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutinoal Area, August Kranti Marg, New Delhi 110016 on Friday, the 26th July, 2013 at 10.30 A.M.

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Note:

1. Please sign this attendance slip and hand it over at the Attendance Verification Counter at the entrance of the meeting hall.
2. **NO GIFTS SHALL BE GIVEN AT THE MEETING. REFRESHMENTS WILL BE GIVEN TO THOSE MEMBERS WHO ARE PERSONALLY PRESENT AND PROXY HOLDERS.**
3. THIS ATTENDANCE SLIP IS VALID ONLY IN CASE SHARES ARE HELD ON THE DATE OF MEETING
4. **No brief case, transistors, bag, tiffin box, camera, food packets, bottles are allowed inside the auditorium. Smoking, drinking and eating is strictly prohibited inside the auditorium.**

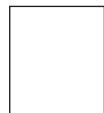
PROXY FORM

Aro granite industries ltd.

Regd. Office: S-16, Second Floor, Green Park Extension, New Delhi-110016 (India)

I/We _____ of _____
in the district of _____ being a member/members of Aro granite industries ltd. hereby appoint
_____ in the district of _____ or failing him
_____ in the district of _____ as my/our
proxy to attend and vote for me/us on my/our behalf at the Twenty Fifth Annual General Meeting of the Company to be
held on Friday, the 26th July 2013 at 10.30 A.M. and any adjournment thereof.

As witness my/our hand(s) this ____ day of _____ 2013 Signature by the said _____



Note:

1. The proxy need NOT be a member.
2. The proxy Form signed across the revenue stamp should reach the Company's Registered Office not less than 48 hours before the scheduled time of meeting.
3. Please fill in full particulars.
4. Company reserves the right to ask for identification of the proxy.
5. Proxy cannot speak at the meeting or vote on a show of hands.