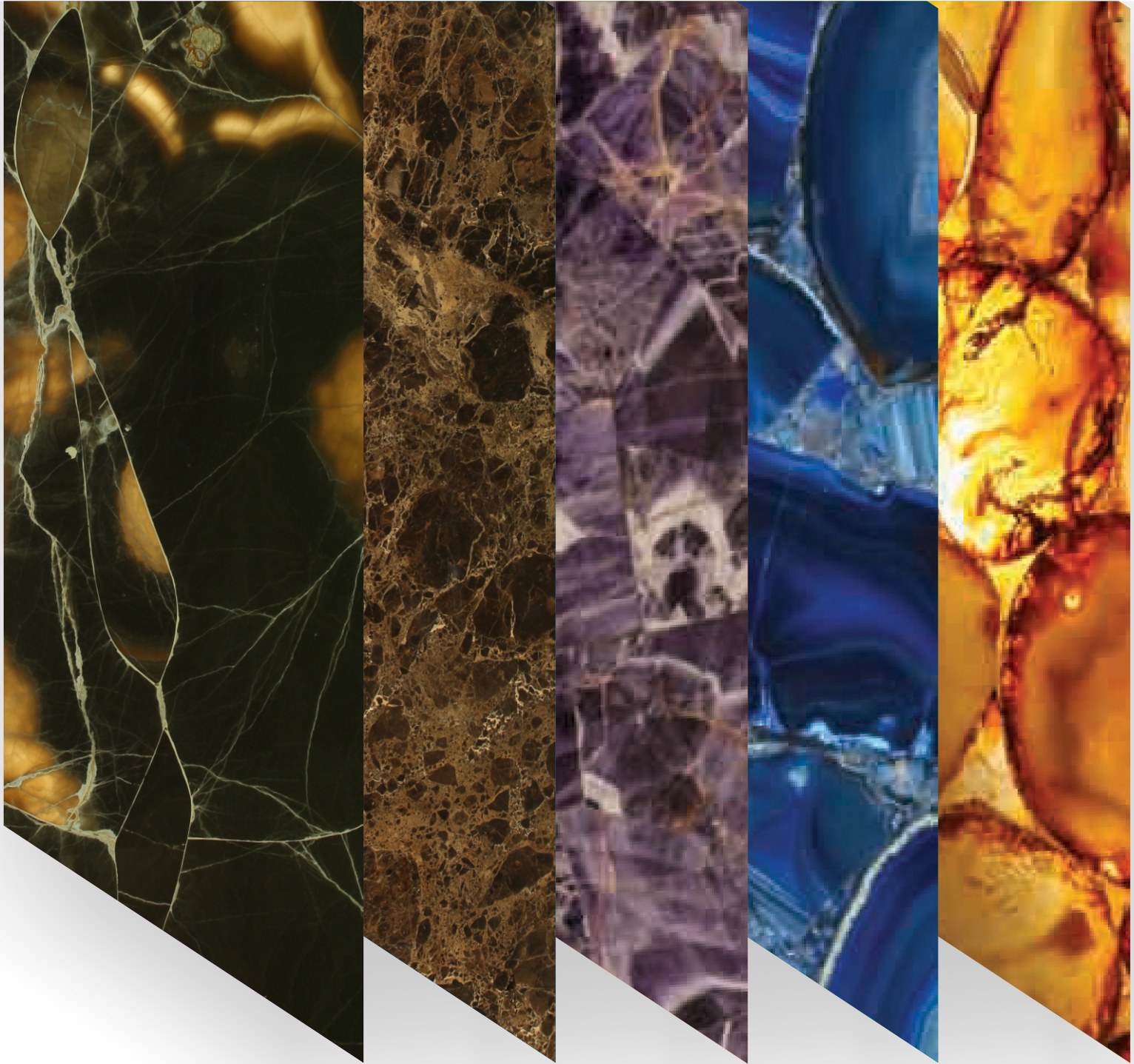




Elegant

Marbles & Grani Industries Ltd



29th ANNUAL REPORT

2013-2014

Elegant Marbles & Grani Industries Ltd.

Board of Directors	Shri Ram Chawla,	Independent Director
	Shri Radhey Shyam Agarwal,	Independent Director
	Shri Raj Kumar Mittal,	Independent Director
	Shri Rakesh Agrawal,	<i>Managing Director</i>
	Shri Rajesh Agrawal,	<i>Chairman & Managing Director</i>

Auditors Ravi & Dev
Chartered Accountants
601,6th Floor, 'A'wing, Aurus Chamber,
S. S. Amrutwar Marg, Behind Mahindra Tower,
Worli, Mumbai - 400 013.

Practicing Company Secretary Shri Virendra G. Bhatt

- Bankers**
- Citi Bank N.A.
 - HDFC Bank Ltd.
 - Kotak Mahindra Bank Ltd.
 - ICICI Bank Ltd.

Registered Office & Works E- 7/9, RIICO Industrial Area,
Abu Road - 307 026
Rajasthan.

Corporate Office Elegant House,
Raghuvanshi Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013.
E-mail : elegantmarbles@gmail.com
Website : <http://www.elegantmarbles.com>
CIN : L14101RJ1984PLC003134

Registrars & Transfer Agents Universal Capital Securities Pvt. Ltd.
21, Shakil Niwas, Mahakali Caves Road,
Andheri (East), Mumbai - 400 093.

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTYNINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ELEGANT MARBLES AND GRANI INDUSTRIES LIMITED WILL BE HELD AS INDICATED BELOW:

Day : WEDNESDAY
Date : 24th September, 2014
Time : 9.00 a.m.
Place : at the Registered Office of the Company:
E 7/9, RIICO Industrial Area,
Abu Road – 307 026,
Rajasthan

To transact the following business:-

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 2014 and the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
- 2) To declare dividend on equity shares of ₹ 2/- per equity share of ₹ 10/- fully paid up, for the financial year 2013-14.
- 3) To re-appoint Shri Rakesh Agrawal (DIN: 00017951), who retire by rotation and being eligible offers himself for re-appointment.
- 4) To appoint Statutory Auditors and fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, M/s. Ravi & Dev, Chartered Accountants (Regisration No. 108752W), be and are hereby appointed the Statutory Auditors of the Company, to hold office for a period of three years from the conclusion of this Twenty Ninth Annual General Meeting (AGM) until the conclusion of the Thirty Second Annual General Meeting of the Company on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, plus reimbursement of out-of-pocket expenses, to be actually incurred.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of the Listing Agreement(s) which shall be effective from 1st October, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) Shri Raj Kumar Mittal (DIN: 00020255), an existing Independent Director, herein before liable to retire by rotation and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, continue as an Independent Director for a term of 5 (five) consecutive years with immediate effect upto 23rd September, 2019, and shall not be liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of the Listing Agreement(s) which shall be effective from 1st October, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) Shri Ram Chawla (DIN: 00017992), an existing Independent Director, herein before liable to retire by rotation and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, continue as an Independent Director for a term of 5 (five) consecutive years with immediate effect upto 23rd September, 2019, and shall not be liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of the Listing Agreement(s) which shall be effective from 1st October, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) Shri Radhey Shyam Agarwal (DIN: 00012594), an existing Independent Director, herein before liable to retire by rotation and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, continue as an Independent Director for a term of 5 (five) consecutive years with immediate effect upto 23rd September, 2019, and shall not be liable to retire by rotation.”

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

Elegant Marbles & Grani Industries Ltd.

“RESOLVED THAT pursuant to the provisions of section 152, 160 and applicable provisions of the Companies Act 2013 and Rules made thereunder, Listing Agreements (including statutory modification or re-enactment thereof for the time being in force), and the Articles of Association of the Company, Ms. Yogita Agrawal, who has proposed her candidature for the office of Non Executive Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.”

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

“RESOLVED THAT pursuant to Section 180 (1) (C) corresponding to section 293 (1) (d) of The Companies Act 1956 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time in excess of aggregate of paid up capital and free reserves (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) provided that the outstanding principal amount of such borrowings at any point of time shall not exceed ₹ 200 Crores (Rupees Two Hundred Crores only).”

“RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the “Board” and that included any committee of Directors) be and is hereby authorized and empowered to borrow monies as referred above, from any one or more banks, persons, firms, body corporates, institutions, and by way of deposits, advances, debentures, bonds, commercial papers, depository receipts, other borrowing, and any other instruments / form, in on such terms, interest, conditions, covenants, securities etc. as may be agreed upon and the Board thinks fit including any modifications, restructuring and compromise thereof from time to time.

“RESOLVED FURTHER THAT the above supersession shall not in any way affect any rights, obligations, liabilities and acts, initiated, acquired, accrued, incurred or done under any earlier resolution;

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to issue, sign and execute agreements, deeds, applications, power of attorneys, writings, papers, memorandums and any other documents that may be required, on behalf of the Company and the Board also empowered to exercise the borrowing and other powers in such a manner as they think fit including by circular resolution or delegate all or any of the above powers to Committee or Managing Directors or any other Directors, and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the said resolution.”

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

“RESOLVED THAT pursuant to Section 186 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as may be amended, from time to time and Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors to make loan(s) and/or give any guarantee(s)/provide any security(ies) in connection with loan(s) made to any person and invest the funds of the Company for acquiring by way of subscription, purchase or otherwise, the securities of any other body corporate or by way of investing in Equity shares of companies recognized on Stock Exchanges of India, recognized mutual funds, debt mutual funds, commodities, index futures & options, equity future & options, debentures, government bonds, real estate and real estate debentures, arbitrage funds, currency futures & options, corporate bonds, preference shares, tax free bonds, structured products, alternate investment funds and all other forms of securities in the ordinary course of business and in such manner as it may deem fit even if exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, but aggregating not more than ₹ 200 Crores.(Rupees Two hundred crores only)

“RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to give any loan to any person or other body corporate, to give any guarantee or providing security in connection with a loan to any other body corporate or person and/ or to acquire whether by way of subscription, purchase or otherwise, the securities of any other body corporate up to an amount, the aggregate outstanding of which should not exceed, at any given time ₹ 200 crores(Rupees Two hundred crores only).

“RESOLVED FURTHER THAT the Board or Committee thereof or Managing Directors be and is hereby authorized to agree, make and accept all such terms, conditions alteration(s), modification(s) deeds and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto.”

“RESOLVED FURTHER THAT that the Board or any Committee or Managing Directors thereof is authorized to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution, and to settle any question or doubt that may arise in this regard.”

By Order of the Board of Directors
For Elegant Marbles & Grani Industries Limited

DATE :12th August, 2014
PLACE : Mumbai

Rajesh Agrawal
(Chairman & Managing Director)

REGISTERED OFFICE :
E 7/9, RIICO Industrial Area,
Abu Road – 307 026, Rajasthan.

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NOTES:

1. Explanatory Statement as required under Section 102 of the Companies Act, 2013 in respect of the Special Business is annexed hereto.
2. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in the meeting instead of himself/herself and the proxy need not be a member of the company. The instrument appointing the proxy in order to be effective, must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. Members/ proxies should bring their duly filled attendance slip attached herewith to attend the meeting.**
3. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10 (ten) percent of the total share capital of the Company. A proxy form is sent herewith Member holding more than ten percent of the total share capital of the company may appoint single person as proxy who shall not act as proxy for any other person or shareholder. Body Corporate members intending to send their authorized representative are requested to send a duly certified copy of the Resolution authorizing their representative to attend and vote at the Meeting.
4. Members are requested to kindly bring their copy of the Annual Report and Attendance slip with them at the Annual General Meeting, as no extra copy of Annual Report would be made available at the Annual General Meeting and to quote their Folio Numbers in all correspondence.
5. The Register of Members and Share Transfer Register of the Company will remain closed from Friday, 19th September, 2014 to Tuesday, 23rd September, 2014 (both days inclusive).
6. The Directors have recommended dividend @ ₹ 2.00 per Equity Share, which if approved by the Shareholders at the Annual General Meeting, will be paid on or after 29th September, 2014 in respect of shares held in physical form, to those members whose names shall appear in the Company's Register of Members as on Tuesday, 23rd September, 2014 and in respect of shares held in the electronic form, to those 'Deemed Members' whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) at the close of business hours on Thursday, 18th September, 2014.
7. **Members are aware that as per the Finance Act, 2003 no tax will be deducted at source on the dividend payable to the shareholders.**
8. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2006-2007 to 2012-2013, as on the date of the 28th Annual General Meeting (AGM) held on 8th August 2013, on the website of the IEPF viz. www.iepf.gov.in and under "Shareholders corner" on the Website of the Company viz. www.elegantmarbles.com
9. In terms of the Provisions of Section 205A of the Companies Act, 1956 as amended, the unclaimed dividends are now required to be transferred to the Investors Education and Protection Fund established by the Central Government after a period of Seven years from the date it is transferred to unpaid dividend account. Shareholders are, therefore, requested to verify their records and send claims, if any, for the relevant years from 2006-07 onwards before the respective amounts become due for transfer to the fund. The unpaid Dividend Account for the year 2006-07 will be due for transfer to the Fund in September 2014.
10. Members wishing to claim dividend, which remain unclaimed, are requested to correspond with the Registrar and Transfer Agent i.e. M/s. Universal Capital Securities Private Limited or the Company Secretary of the Company. Members are requested to note that dividends not claimed within a period of seven years from the date of transfer to the Company's Unpaid Dividend Account, will be as per the Section 124 of the Companies Act, 2013, be transferred to Investor Education and Protection Fund. Members who have neither received nor encashed their dividend warrant(s) are requested to write to the Company, mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s).
11. In terms of the Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 issued by the Securities and Exchange Board of India, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as Electronic Clearance Service (ECS), LECS (Local ECS)/RECS (Regional ECS)/NECS (National ECS), NEFT, etc. for making cash payments like dividend, etc. to the members. Accordingly, members holding securities in demat mode are requested to update their bank details with their depository participants. And the members holding securities in physical form are requested to send a request to the Registrar and Transfer Agent i.e. M/s. Universal Capital Securities Private Limited, 21, Shakil Niwas, Mahakali Caves Road, Andheri(East), Mumbai - 400 093 or to the Company Secretary of the Company.
12. The brief profile of the Directors proposed to be re-appointed is given in the section "Report on Corporate Governance" of the Annual Report.
13. All documents referred to in the Notice or in the accompanying Explanatory Statement are available for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 10.00 a.m. to 1.00 p.m. prior to the date of the Annual General Meeting and also available for inspection at the meeting.
14. The shares of the Company are at present listed with BSE Limited and Jaipur Stock Exchange. The listing fee for the year 2014-2015 is paid before the due date. Pursuant to Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, members are entitled to make a nomination in respect of shares held by them in physical form. Shareholders desirous of making a nomination are requested to send their requests in Form No. SH-13 in duplicate (which will be made available on request) to the Registrar and Share Transfer Agent of the Company.
15. Members are requested to inform change in address or bank mandate to their respective depository participants with whom they are maintaining their demat accounts and with the Registrar and Transfer Agent i.e. M/s. Universal Capital Securities Private Limited or the Company Secretary of the Company for the shares held in physical form by a written request duly signed by the member for receiving all communication in future.
16. Members desiring any information relating to the accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information available at the meeting.
17. The Notice along with Annual Report will be sent electronically indicating the process and manner of E-Voting to the members whose e-mail addresses are registered with the depository participants /Company. The physical copy of Notice along with Annual Report has been sent to those members whose email addresses are not registered with the depository participants /Company indicating the process and manner of E-Voting. The members will be entitled to receive physical copy of annual report for the financial year ended March 31, 2014, free of cost, upon sending a request to the Registrar and Transfer Agent or to the Company Secretary of the Company. The Notice along with Annual Report will also be available on the Company's website www.elegantmarbles.com
18. **Voting through electronic means:-**
Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with the Stock Exchanges, the Company is pleased to provide the facility to exercise members' right to vote at the 29th 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):

Elegant Marbles & Grani Industries Ltd.

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

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “ELEGANT MARBLES AND GRANI INDUSTRIES LIMITED” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DPID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and 8 digits of the Sequence number which is mentioned in address Label affixed on Annual Report, in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
 - (ix) 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.
 - (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xi) Click on the EVSN for the relevant <ELEGANT MARBLES AND GRANI INDUSTRIES LIMITED> on which you choose to vote.
 - (xii) 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.
 - (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xiv) 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.
 - (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
 - (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification 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.

In case of members receiving the physical copy:
Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
19. The voting period begins on 18th September, 2014 (9:00 am) and ends on 20th September, 2014 (6:00 pm) During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
20. 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.

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21. 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 i.e. 22nd August, 2014.
22. Shri Virendra G. Bhatt, Practising Company Secretary, (Membership No. ACS 1157) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
23. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
24. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.elegantmarbles.com and on the website of CDSL within two (2) days of declaration of results at or after the AGM and communicated to the Stock Exchanges.
25. MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.

26. Information required to be furnished under the Listing Agreement:

As required under the Listing Agreement, the particulars of the Directors who are proposed to be re-appointed are furnished below:

D) Item No.3, 5, 6 and 7 of the Notice:

Name	Shri Rakesh Agrawal	Shri Ram Chawla	Shri Radhey Shyam Agarwal	Shri Raj Kumar Mittal
Age	49 yrs	71 yrs	72 yrs	70 yrs
Nationality	Indian	Indian	Indian	Indian
Qualification	B.Com	B.Sc (Eng.) & GD (Architect)	B.Sc., B.E. (Chemical Engineering)	B.Com. (Hons) , F.C.A.
Expertise	Specialised in Marketing and Business Management	Renowned Architect with Special Expertise in Consultancy on high end projects all around the Globe	Retired Senior Institutional Banker, specialized in Corporate finance, Project Monitoring and Industrial Advisory Services.	Practising as a Chartered Accountant under the firm name Mittal & Associates since 1976. He specializes in corporate & financial advisory services, including syndication of funds, financial restructuring & negotiated settlement.
Date of Appointment	5 th November, 1984	7 th January, 1985	24th December, 2002	24th December, 2002
Directorship held in other Companies	1. Elegant Financial Services Limited 2. Eternal Holdings Private Limited 3. Madhu Holdings Private Limited 4. Everlasting Properties Private Limited	1. Chawla Architects And Consultants Private Limited 2. DHK Investment Company (Private Company with Unlimited Liability) 3. Radhka Leasing Private Limited	1. GVK Jaipur Expressway Pvt Ltd. 2. Suryalata Spinning Mills Ltd 3. Surya Laxmi Cotton Mills Ltd 4. Ramco Industries Ltd. 5. Ramco Systems Ltd. 6. Ramco Cements Ltd. 7. Videocon Industries Ltd. 8. Liberty Videocon General Insurance Co. Ltd. 9. Loop Mobile (India) Ltd.	1. Pradeep Metals Ltd. 2. CS Enterprises Pvt Ltd 3. Vithal Finvest and Consultants Pvt Ltd.
Committee position held in other Companies	NIL	NIL	Audit Committee 1. Suryalata Spinning Mills Ltd 2. Surya Laxmi Cotton Mills Ltd 3. Ramco Industries Ltd. 4. Ramco Cements Ltd. 5. Videocon Industries Ltd. 6. GVK Jaipur Expressway Pvt Ltd	1. Pradeep Metals Ltd Audit Committee - Chairman CSR Committee - Member Nomination and Remuneration Committee - Member Risk Management Committee - Member

Shri Rakesh Agrawal is not a Member/chairman of any Committee.

Shri Ram Chawla is a Chairman of Shareholders Transfer and Grievance Committee and Remuneration Committee . He is a Member of Audit Committed of the Company.

Shri Radhey Shyam Agarwal is a Chairman of Audit Committee. He is a Member of Remuneration Committee of the Company.

Shri Raj Kumar Mittal is a Member of Audit Committee and Shareholders Transfer and Grievance Committee of the Company and Remuneration Committee.

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27. Item No. 8 of the notice:

Name	Ms Yogita Agrawal
Age	21 yrs
Nationality	Indian
Qualification	Pursuing Final year in Bachelor of Fine Arts (Product Design)
Expertise	Product designing in various fields like furniture, ceramics, lighting, marble products and designing for special user groups. Working with the latest fabrication technology such as 3D printing, laser cutting and CNC routing
Directorship held in other Companies	NIL

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 5, 6 & 7

The provisions of Companies Act, 2013 with respect to appointment and tenure of the Independent Directors has come into effect. As per the provisions of Companies Act, 2013, Independent Directors shall be appointed for not more than two terms of five years each and that the Independent Directors shall not be liable to retire by rotation at every Annual General Meeting. Directors who have already served the Company as Independent Directors for more than five years shall be eligible for appointment for not more than one term of five years as provided under Clause 49 of Listing Agreement as amended by SEBI through CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014. The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013

Shri Raj Kumar Mittal, Shri Ram Chawla and Shri Radhey Shyam Agarwal are Independent Directors of the Company. Pursuant to applicable provisions of the Companies Act 2013 (the Act) and the Listing Agreements with the Stock Exchanges, all the three independent Directors, being eligible and offering themselves for re-appointment as an Independent Director of the Company under the provisions of Companies Act 2013 and Rules made thereunder and provisions of Listing Agreement (as amended from time to time).

In the opinion of the Board, Shri Raj Kumar Mittal, Shri Ram Chawla and Shri Radhey Shyam Agarwal fulfil the conditions specified in the Act / applicable statutory provisions for such appointment. Their term as independent director would be as mentioned in the resolution subject to provisions of the Act / Listing Agreements. Hence, all the three Directors, being Independent Director in the Company for more than 5 years, are eligible for re-appointment to hold office as Independent Director for an additional term of 5 (five) consecutive years upto 23rd September, 2019.

The Board has considered that keeping in view wide range of experience of the mentioned Directors, their appointment and continuance with the Company would be guide to the Board and immense benefit to the Company and it is desirable to continue to avail their service as an Independent Director. Remuneration as a Directors shall as may be determined by the Board and/or shareholders time to time pursuant to the applicable provisions of the Companies Act 2013 / Listing Agreements.

The Company has received from Shri Raj Kumar Mittal, Shri Ram Chawla and Shri Radhey Shyam Agarwal (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified for being appointed as Directors under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The Board recommends the resolution in relation to the said appointments for approval of shareholders as a special resolution.

Except Shri Raj Kumar Mittal, Shri Ram Chawla and Shri Radhey Shyam Agarwal, being appointees, none of the Director and key managerial personnel of the Company and their respective relatives are interested or concerned, financially or otherwise, in the resolution for the above matter.

Item no. 8.

As per the provisions of Section 149(1) and rules formed thereunder and pursuant to revised clause 49 to be effective from 1st October, 2014 a listed Company requires to appoint atleast one woman Director.

The Company has received a proposal from Ms. Yogita Agrawal along with the deposit of requisite amount under Section 160 of the Act proposing her candidature for the office of Non executive Director of the Company.

Ms. Yogita Agrawal is currently pursuing her final year in Bachelor of Fine Arts (Product Design) at Parsons-the New School for Design, New York. She comes with a rich and diverse experience of Product designing in various fields like furniture, ceramics, lighting, marble products and designing for

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special user groups. She has also rich experience in working with the latest fabrication technology such as 3D printing, laser cutting and CNC routing.

The Board considers that keeping in view the relevant experience of Ms. Yogita Agrawal on designing which is the focal point of the Company's business, her appointment with the Company would be beneficial to the Board and shall benefit the Company.

Brief resume of Ms. Yogita Agrawal, directorship in other companies, shareholding and other relevant details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the in the Notice. She is related as a daughter to the Managing Director of the Company.

The Board recommends the passing of resolution in relation to the aforesaid appointment as a special resolutions.

Except Ms. Yogita Agrawal, being an appointee and Shri Rakesh Agrawal and Shri Rajesh Agrawal being her relatives, none of the other Directors and other key managerial personnel of the Company and their relatives is interested or concerned, financial or otherwise, in the resolution for the above matter.

Item no. 9.

Pursuant to General Circular No. 04/2014 dated 25th March, 2014 issued by the Ministry of Corporate Affairs and in further pursuance to the provision of Section 180(1)(c) of the Companies Act, 2013 (previously being Section 293(1)(d) of the Companies Act, 1956) the Board of Directors cannot, except with the consent of the company in general meeting, borrow moneys (apart from temporary loans obtained from the company's banker in the ordinary course of business) in excess of the aggregate of the paid-up capital and free reserves, that is to say, reserves not set apart for any specific purpose. In such circumstance, approval of the shareholders is being requested to enable the Directors to borrow money to the extent of ₹ 200 Crores (Rupees Two hundred crores only) from lenders as stated above.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or otherwise interested in this resolution.

Your Directors recommend the resolution for your approval as a Special Resolution.

Item no. 10.

Pursuant to Section 186 and all other applicable provisions of the Companies Act, 2013 (Act) and the Companies (Meetings of Board and its Powers) Rules, 2014 (Rules), the Board of Directors is authorized to give loan, guarantee or provide security in connection with a loan to any person or other body corporate, or acquire by way of subscription, purchase or otherwise, the securities including shares, debentures etc. of any other body corporate, up to an amount, the aggregate of which should not exceed 60% of the paid up capital, free reserves and securities premium account or 100% of free reserves and securities premium account of the Company, whichever is higher. In case the Company exceeds the above mentioned limits then, prior approval of shareholders by way of a Special Resolution required to be obtained. The Company is operating in a dynamic business environment and therefore may be required to make investment, and to give Loans, Guarantees or provide Securities at any point of time when the exigencies arise. It is therefore proposed to authorize the Board of Directors to give loans, make investment or provide guarantees or securities up to an amount, the aggregate outstanding of which should not exceed, at any given time, ₹ 200 Crores.

The Board of Directors considered and approved, subject to the approval of shareholders, this proposal and recommends Resolution no. 10 of the accompanying Notice to the shareholders for their approval by way of special resolution.

Except the Directors and Key Managerial Personnel or their relatives who may be concerned or interested, financial or otherwise, by way of directorship/ shareholding or in any other manner in one or more companies/ bodies corporate/ individuals as described in the said resolution, no other Director or Key managerial personnel or their relatives is concerned or interested in the said resolution.

By Order of the Board of Directors
For Elegant Marbles & Grani Industries Limited

DATE : 12th August, 2014

PLACE : Mumbai

Rajesh Agrawal
(Chairman & Managing Director)

**HIGHLIGHTS
of the year
2013-2014**

TURNOVER ₹ 2530 LACS

NET PROFIT ₹ 491 LACS

BOOK VALUE ₹ 119.42

EPS ₹ 10.91

CASH EPS ₹ 11.21

DIVIDEND 20%

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DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their Twenty-Ninth Annual Report on the business and operations of the Company together with the Audited Balance Sheet as at 31st March 2014 and Profit and Loss Account for the year ended on that date.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year under review are summarised below :

Financial Results	For the Year Ended <u>31-3-2014</u> (₹ in Lacs)	For the Year Ended <u>31-3-2013</u> (₹ in Lacs)
I. INCOME		
Revenue from operations	2530.27	2156.84
Other income	424.37	362.89
TOTAL	<u>2954.64</u>	<u>2519.73</u>
II. EXPENDITURE		
Cost of raw material consumed	685.33	434.08
Purchases of traded goods	1390.78	1227.85
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(107.63)	53.01
Employees benefit expenses	62.19	60.55
Depreciation and amortization expense	13.74	15.84
Other expenses	369.49	293.77
TOTAL	<u>2413.90</u>	<u>2085.10</u>
Profit for the year before taxes	<u>540.74</u>	<u>434.63</u>
Tax expense:		
(1) Current Tax	(98.00)	(72.00)
(2) Deferred tax (Net)	48.84	(11.40)
(3) Previous years income tax	(0.70)	—
Profit for the year after taxes	<u>490.88</u>	<u>351.23</u>
Add : Profit brought forward	2342.22	2155.59
Profit available for appropriation	<u>2833.10</u>	<u>2506.82</u>
Appropriations :		
Proposed Dividend	90.00	90.00
Corporate Dividend tax	15.30	14.60
Transferred to General Reserve	60.00	60.00
TOTAL	<u>165.30</u>	<u>164.60</u>
Surplus carried to balance sheet	<u>2667.80</u>	<u>2342.22</u>

2. BUSINESS PERFORMANCE

Sales Income

Sales income for the year ended 31st March 2014 amounted to ₹ 2530.27 lacs as against ₹ 2156.84 lacs for the corresponding previous year, registering a healthy growth of 17.31%. The Management is optimistic of growing at a faster rate in the years to come looking to the buoyancy in the market sentiments and increased activity in construction.

Exports: The Company has achieved export turnover of ₹ 101.52 Lacs during the year and is exploring possibilities of exports to other countries in the near future.

Profits

The Company has earned Profit after tax of ₹ 490.89 lacs for the year ended 31st March 2014 as against ₹ 351.23 lacs for the previous year. Your share in the Company now commands a healthy book value of ₹ 119.42 and the EPS stands at ₹ 10.91 per share for the year 2013-2014.

Dividend

The Board of Directors is pleased to recommend the payment of dividend of 20% for the year ended 31st March 2014 on the paid up equity capital. The said dividend, if approved by the shareholders at the Annual General Meeting, would absorb ₹ 105.30 lacs (including Corporate Dividend Tax) out of the profit for the year.

Elegant Marbles & Grani Industries Ltd.

3. BUSINESS OVERVIEW

Your Company is one of the leading manufacturers & providers of choicest and exclusive range of Indian & Imported marbles & granites. The Company is now encashing on the long-term relationships with several niche clients in India & abroad that it has cultivated over these years. Alongside the company has strived to innovate in technology and marketing and has evolved accepting the changing customer demands and aspirations. Aggressive marketing and rational utilization of resources by the management of the Company has been an important factor in achieving such excellent results for the year under review. The Company has visualized on many uncharted territories in terms of creating a better future for itself in terms of new products and a wider range of colours, so that the Company is well positioned to capture benefits of the upturn.

Customer Relationships

Your Company believes that strengthening the relationships with its existing clients is as important as adding new names to its clientele. The Company has been exploring new opportunities with its existing clients and has also widened its client base both geographically and numerically during the year under review.

Personnel & Performance

Your Company has been able to develop an environment, which is conducive to high growth and performance, a work culture that encourages meritocracy and rewards high performers in an adequate and fair manner.

4 CURRENT YEAR

The construction and the interior decoration industry, on which the growth of your Company depends, is now showing green shoots in the current year after a long period of economic downturn. Your Directors are optimistic that on the basis of inquiries generated and seriousness demonstrated by the Government to the housing and infrastructure industry, demand for granites and marbles would show an incremental growth. The Management is fully geared up to take the maximum advantage of any upsurge in demand and shall loose no opportunity in capturing a major share of the incremental market demand. The Sales team is on high alert for scouting all new and existing opportunities as regards to big projects and retail demand as well.

5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN XCHANGE EARNINGS AND OUTGO

The prescribed particulars under Section 217 (1) (e) of the Companies Act, 1956 relating to conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are furnished in Annexure to this section.

6. PARTICULARS OF EMPLOYEES

Pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975 as amended, the Company has no person in its employment drawing salary in excess of ₹ 60 lacs per annum or ₹ 5 lacs per month.

7. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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.
- 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.
- The annual accounts have been prepared on a going concern basis.

8. FIXED DEPOSITS

The Company has not accepted any Deposits from the public during the year under review.

9. DEPOSITORY SYSTEM

The Company has entered into agreement with the National Securities Depository Limited as well as the Central Depository Services (India) Limited (CDSL) to enable shareholders to hold shares in a dematerialized form. The Company also offers simultaneous dematerialization of the physical shares lodged for transfer.

10. DIRECTORS

RETIREMENT BY ROTATION:

In accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association Shri Rakesh Agrawal, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

11. DISCLOSURE UNDER SECTION 274 (1) (g)

None of the Directors of the Company have been disqualified under Section 274(1)(g) of the Companies Act, 1956.

12. AUDITORS

M/s. Ravi & Dev, Chartered Accountants (Registration No. 108752W), hold office from the conclusion of this Annual General Meeting until the conclusion of the 4th consecutive Annual General Meeting. However, they are eligible for re-appointment and have indicated their willingness to renew their term for next three years. It is proposed to re-appoint them as auditors until the conclusion of the 4th consecutive Annual General Meeting.

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13. AUDITORS REPORT

The notes to accounts referred to in the Auditor's Report are self-explanatory and, therefore, do not call for any further comments.

14. LISTING

The Company's Equity Capital is listed on the Stock Exchanges of Jaipur and Mumbai. The Company confirms that it has paid annual listing fees due to these stock exchanges for the year 2013-2014.

15. COMPLIANCE CERTIFICATE UNDER SECTION 383A FROM PRACTISING COMPANY SECRETARY

The Company has obtained a compliance certificate under section 383A from Practising Company Secretary Shri. Virendra G. Bhatt which is enclosed herewith the Directors Report.

16. INSURANCE

The Company's plant & machinery, buildings, stocks & assets are adequately insured.

17. INTERNAL CONTROL SYSTEM

The Company has a reasonable internal control system, which ensures that all assets are protected against loss from unauthorized use and all transactions are recorded and reported correctly. The internal control systems are further supplemented by internal audit carried out by an independent firm of Chartered Accountants and periodical review by management. The Audit Committee of the Board of Directors addresses issues raised by both, the Internal Auditors and the Statutory Auditors.

18. CORPORATE GOVERNANCE

The Company has been proactive in following the principles and practices of good corporate governance. The Company has ensured that the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange are duly complied with. A separate Statement on Corporate Governance and management discussion & Analysis is given in this Report.

A certificate from the Auditors of the Company regarding compliance of Clause 49 of the Listing Agreement is attached to this Report.

19 ACKNOWLEDGEMENT

Your Directors are sure that the shareholders would like to join them in conveying their deep appreciation and gratitude to all our Bankers, shareholders, our clients, Interior Decorators and Architects, Suppliers for their valued support resulting in the creditable performance of the Company. The Directors also wish to record their appreciation of the services rendered by the staff members of the Company for their dedicated service.

By Order of the Board of Directors
For Elegant Marbles & Grani Industries Limited

DATE : 12th August, 2014

PLACE : Mumbai

Rajesh Agrawal
(Chairman & Managing Director)

ANNEXURE A: TO DIRECTORS REPORT

Statement pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with Companies (disclosure of particulars in report of board of directors) Rules, 1988

A. CONSERVATION OF ENERGY

The Company does not belong to the category of power intensive industry and hence consumption of power is not significant. However, the management gives due importance to conservation of energy wherever feasible, and also reviews from time to time, the measures taken / to be taken for reduction of consumption of energy.

B. TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT

(i) Research & Development (R & D)

The Company undertakes from time to time, studies for process improvement and plant design development, to improve quality and performance of its products, to substitute imported material and components and to economise the production costs. Based on these studies, appropriate actions are taken to achieve these goals. In absence of a separate research & development department, it is difficult to quantify the amount spent on research & development.

(ii) Technology absorption, adaption and innovation

Efforts are made to absorb the advances in technology with suitable modifications to cater to local needs. The Company keeps itself updated with the latest technological innovations by way of constant communication, personal discussions etc.

C. FOREIGN EXCHANGE USED & EARNED

Foreign exchange used : ₹ 350.46 Lacs

Foreign exchange earned : ₹ 101.52 Lacs

By Order of the Board of Directors
For Elegant Marbles & Grani Industries Limited

DATE : 12th August, 2014

PLACE : Mumbai

Rajesh Agrawal
(Chairman & Managing Director)

Elegant Marbles & Grani Industries Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management of Elegant Marbles and Grani Industries Ltd is pleased to present the following Management Discussion and Analysis Report which contains a brief write-up on the industry structure, opportunities and concerns, performance of the Company with respect to the operations other information. This chapter on Management Discussion and Analysis forms a part of the compliance report on Corporate Governance.

Indian Economy And Industry Overview

Recovery has been seen all over the Globe and the spill over effect has been really strong in our country demonstrating that India is now poised and set to be the second fastest growing economy in the Asia Pacific Region. The productivity growth rate of Indian economy has gone down compared to the previous years but still is estimated to be at a magnificent 6% and it is expected to sustain this growth rate until 2020. Infrastructure integrated with real estate development is a must for maintaining such sustained growth and hence is on the highest priority of the Government making it to be the focal point for our economy. Increasing per Capita income resulting due to all round economic high per capita spending affects the sale and offtake of our products and we foresee a bright future ahead.

Economic Overview (2014-15)

The global economy in 2014 appears to be in a better shape than what it was in 2012 and 2013. India Ratings forecasts India's GDP to grow at 5.6 per cent in 2014-15 Soaring inflation due to increase in various food prices and vegetables, has snatched the purchasing power from the consumers. RBI is sure to take measures which will balance inflation and growth which will benefit the company and help it achieve its targets. Due to improvement in the investment scenario and FDI expected in great volumes in the year 2014-15, it can be assured that India will shine on the global radar and will gain economically on all fronts.

Industry Structure and Development

Real Estate sector and consumer spending have demonstrated exuberance and are witnessing a complete turnaround with signs of revival in industrial activity and rapid growth in global economic performance. Real estate in India also indicates signs of firming during this time with the return of liquidity in the real estate sector and firm prices in the recent months, cash flows of realty players improved resulting in renewed construction of stalled projects and a few new launches as well. We can quite confidently assert that we will witness an exciting new era of development. We are fully prepared and equipped to take advantage of the buoyant real estate demand which will generate a huge demand for the company's products.

Emerging out of the world economic crisis with only minor bruises, the industry is poised to enter a growth phase and is on the threshold of a major transformation. In terms of demand, Marble and Granite Industry is fortunately placed and should see heightened demands in the days to come.

Financial and Operational Performance

The table below gives the Company's financial performance for 2013-14 compared with 2012-13
The Financial Results of the Company for the year under review are summarised below :

	For the Year Ended 31-3-2014 (₹ in Lacs)	For the Year Ended 31-3-2013 (₹ in Lacs)
Financial Results		
I. INCOME		
Revenue from operations	2530.27	2156.84
Other income	424.37	362.89
TOTAL	2954.64	2519.73
II. EXPENDITURE		
Cost of raw material consumed	685.33	434.08
Purchases of traded goods	1390.78	1227.85
Changes in inventories of finished goods, work-in-progress and Stock- in-Trade	(107.63)	62.19
Employees benefit expenses	13.74	60.55
Depreciation and amortization expense	369.49	15.84
Other expenses	—	293.77
TOTAL	2413.90	2085.10
Profit for the year before taxes	540.74	434.63
Tax expense:		
(1) Current Tax	(98.00)	(72.00)
(2) Deferred tax (Net)	48.84	(11.40)
(3) Previous years income tax	(0.70)	—
Profit for the year after taxes	490.88	351.23
Add : Profit brought forward	2342.22	2155.59
Profit available for appropriation	2833.10	2506.82
Appropriations :		
Proposed Dividend	90.00	90.00
Corporate Dividend tax	15.30	14.60
Transferred to General Reserve	60.00	60.00
TOTAL	165.30	164.60
Surplus carried to balance sheet	2667.80	2342.22

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Segment-wise or product-wise performance

The company manufactures and deals in Marble and Granites and allied products. The segment results and other details of Marbles and other segment are furnished in the Notes on Accounts.

Opportunities

There are new found opportunities in marble industry due to emergence of many new colours and divergent finishes of marble leading to a wider choice for the architects and the clients. The increasing clamour for designer residences and the growth in construction sector has escalated the demand for marbles and granites both in domestic and international markets. Your company has the necessary expertise and flexibility to quickly adapt to the changing market condition and capture the growth in sales leading to increased profits.

Business Outlook

The company is alert and in touch with the ground realities of the changing business environment and is confident of increasing its market share both geographically and numerically and be a leader in its segment. The overall business outlook for the company is promising with improvement in overall economic environment. Efforts towards optimisation and higher operational efficiencies shall continue. The company continues to examine the possibilities of expansion and shall make the necessary investments when attractive opportunities arise.

Threats and Risk Management

Risks are an inherent part of business and cannot be avoided but overcome with foresightedness and proper calculations. The nature of company's business warrants that various risks have to be confronted and overcome to successfully exist in the said business and to grow at a respectable pace. However due to our decades of experience in this segment we are very comfortable with them and have overcome them in the past and shall continue to emerge a winner out of all such situations. A comprehensive and integrated risk management framework forms the basis of all the de-risking efforts of the company. Formal reporting and control mechanisms ensure timely information availability and facilitate proactive risk management. These mechanisms are designed to cascade down to the level of the managers so that risks at the transactional level are identified and steps are taken towards mitigation in a decentralised fashion.

Internal Control Systems and their adequacy

The Company reiterates and again strongly believes that Internal Control Systems are a must for effective Corporate Governance and that delegation should be under due observance and the freedom of management should be complimented with proper checks and balances in place.

Your Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable Financial and Operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of internal policies.

The Audit committee and the Board of Directors review the adequacy and the effectiveness of the internal controls at periodic intervals. For better governance the company is in the process of introducing internal audit system.

Human Resources

In order to maintain its markets and achieve growth, the Company time over has been taking newer and effective initiatives for improving the human resource strength and creating a conducive and healthy work atmosphere.

The Company believes that Human Resource is its most valuable resource which has to be nurtured well and equipped to meet the challenges posed by the dynamics of Business Developments. The Company has a policy of continuous training of its employees both in-house as well as through reputed Institutes. The staffs are highly motivated due to good work culture, training, remuneration packages and the values, which the company maintains. Your Directors would like to record their appreciation of the efficient and loyal service rendered by the Company's employees.

Cautionary Statement

Statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry - global or domestic or both, significant changes in political and economic environment in India, applicable statutes, litigations, labour relations and interest costs.

Elegant Marbles & Grani Industries Ltd.

COMPLIANCE CERTIFICATE (Pursuant to section 383A of the Companies Act, 1956)

Name of the Company : ELEGANT MARBLES & GRANI INDUSTRIES LIMITED
Registration No. : 11-003134
Authorized Capital : Rs 5, 00, 00, 000/- Paid-Up Capital: Rs 4, 50, 00, 000 /-

To,
The Members of
ELEGANT MARBLES & GRANI INDUSTRIES LIMITED

I have examined the registers, records, books and papers of **ELEGANT MARBLES & GRANI INDUSTRIES LIMITED** as required to be maintained under the Companies Act, 1956, and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2014**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has maintained statutory registers as stated in Annexure 'A' to this certificate as per the provisions and the rules made thereunder.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies. There were no returns required to be filed to Regional Director, Central Government, Company Law Board or other authorities.
3. The Company being a Public Limited Company has the prescribed paid-up capital.
4. The Board of Directors duly met Four times respectively on 20th May 2013, 23rd July 2013, 29th October 2013 and 25th January 2014 in respect of which meetings proper notices were given and the proceeding were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 3rd August, 2013 to 7th August, 2013, both the days inclusive, during the financial year.
6. The Annual General Meeting for the financial year ended 31st March, 2013 was held on 8th August, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No extraordinary meeting was held during the financial year.
8. As per the information provided by the company and the Auditors' Report, the Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. As per information provided, the Company has entered into rent agreements with relative of directors, which according to us does not fall under the purview of contracts falling within Section 297 of the Act
10. The Company has made required entries in the Register u/s 301 of the Companies Act, 1956.
11. As per information provided by the company, there were no instances falling within the purview of Section 314 of the Act. Hence the Company is not required to obtain any approvals from the Board of Directors, Members or Central Government as the case may be.
12. As per information provided, the Company has not issued duplicate share certificate during the financial year.
13.
 - i) There was transfer of Securities but no allotment/transmission of securities during the financial year.
 - ii) The Company has deposited the amount of dividend declared in a separate Bank Account within 5 days from the date of declaration of such dividend.
 - iii) The Company has posted Dividend warrants to the members of the Company within prescribed time.
 - iv) The Company has transferred the amounts in unpaid dividend account, but was not required to transfer application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - v) The Company has generally complied with the requirements of section 217 of the Act.
14. The Board of Directors was duly constituted. There were no appointments of Directors, Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year.
15. There was no re-appointment of Managing Director during the year under scrutiny.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government Company Law Board, Regional Director, and /or such authorities prescribed under various provisions of the Act.
18. The directors have disclosed their interest in other firms /companies to the Board of the Directors to the provision of the act and the rules made there

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under

19. The Company has not issued any share, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference share or debentures during the financial year.
22. As per information and explanations provided to us, there was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. As per the information provided to us and Auditors' Report, the Company has not invited/ accepted any deposits from the public falling within purview of section 58A during the financial year.
24. The Company has not made borrowings during the financial year.
25. The Company has not made investments under Section 372A of Companies Act, 1956.
26. The Company has not altered the provision of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provision of the memorandum with respect to the object of the Company during the year under scrutiny.
28. The Company has not altered the provision of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association during the financial year.
31. As per information provided by the company, there was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. As per the information provided before us the Company is regular in depositing undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues with the appropriate authorities, wherever applicable to it.

Virendra G. Bhatt
Practising Company Secretary
C.P. No. 124
A.C.S. No. 1157

Place: Mumbai
Date : 29th May, 2014

ANNEXURE A

1. Register of Members u/s 150
2. Register of Directors Shareholding u/s 307
3. Register of Investments u/s 372A (Maintained in electronic form)
4. Register of Directors u/s 303
5. Register of Share Transfer u/s 108
6. Register of Contracts u/s 301
7. Minutes books of meeting of the Board of Directors and Shareholders

ANNEXURE B

Forms and Returns filed by the Company with the Registrar of Companies, during the financial year ending on 31st March 2013.

1. Annual Return u/s 159 till the date of AGM filed on 08/08/2013 bearing ROC Challan No. Q11900529.
2. Balance Sheet (in XBRL mode) u/s 210 for the financial year ended on 31st March 2013 filed on 31/08/2013 bearing ROC Challan No. Q10637494.
3. Compliance Certificate u/s 383A for the Financial year ended 31st March 2013 filed on 16/08/2013 bearing ROC Challan No. Q1016017.
4. Form 1 INV for unclaimed dividend amount for the year 2005 transferred to Investor Protection & Education Fund filed on 08/11/2012 with ROC Challan No. B61476784.
5. Form 5 INV for the year ended 31/03/2013 filed on 25/09/2013 bearing ROC Challan No. S22509400.
6. Form A XBRL for submission of Cost Compliance Report for the year 2011-12 filed on 24/01/2013 bearing ROC Challan No. S21951645.

Elegant Marbles & Grani Industries Ltd.

CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance, for the Financial year April 1, 2013 to March 31, 2014 as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in widest sense and meet up its stakeholder's aspirations and societal expectations.

The Company has always endeavoured to implement the Corporate Governance process in the most democratic form as maximization of shareholders wealth is cornerstone of your company. For the Company the advent of the revised Clause 49 of the Listing Agreement has paved way for sharing with the stakeholders, the corporate governance practices, which are deeply rooted in the corporate culture of the Company. Your Company has been committed in adopting and adhering to global recognised standards of corporate conduct towards its employees, clients and the society at large. The management team of your Company exerts the strict adherence to corporate governance practices in order to cover the entire spectrum of governance activities and benchmark its practices with the prevailing guidelines of Corporate Governance.

2. BOARD OF DIRECTORS

The Board of Company consists of Five Directors with a fair representation of executive, non-executive and independent directors

I. Composition and category of Directors

Pursuant to the provisions of the Companies Act 1956, Shri Rakesh Agrawal retire by rotation and being eligible, offers himself for re-appointment.

Category	Name of Director
Promoter/Executive Director	Shri Rajesh Agrawal
Promoter/Executive Director	Shri Rakesh Agrawal
Promoter/Non-Executive Directors	None
Professional and Non – Executive, Independent Director	Shri Radhey Shyam Agarwal
Professional and Non – Executive, Independent Director	Shri Ram Chawla
Professional and Non – Executive, Independent Director	Shri Raj Kumar Mittal

ii. Board Meetings

Attendance of each Director at the Board meetings and the last Annual General Meeting:

The Company holds regular Board Meetings. The detailed agenda along with the explanatory notes is circulated to the Directors well in advance. The Directors can suggest inclusion of any item(s) in the agenda at the Board Meeting.

The Company held 4 (four) Board Meetings during the year ended 31st March, 2014. These were held on 20th May 2013, 23rd July 2013, 29th October 2013 and 25th January, 2014.

The attendance of the Directors at the Board Meeting and the Annual General Meeting held during the year ended 31st March 2014 was as follows:

Name of Directors	No. of Board Meetings attended during the Financial year 2013-2014	Whether attended AGM held on August 8th, 2013	Number of Directorships in other public limited Companies *		No. of Committee positions held in other public limited Companies *	
			Chairman of the Board	Board Member	Chairman of the Committee	Member
Shri Ram Chawla	4	N	—	—	—	—
Shri Radhey Shyam Agarwal	4	Y	—	8	—	6
Shri Raj Kumar Mittal	4	N	—	1	—	1
Shri Rajesh Agrawal	4	Y	—	1	—	—
Shri Rakesh Agrawal	4	Y	—	1	—	—

* Note: Excludes Directorships in Private Limited Companies, Foreign Companies and Government Bodies. Only Audit Committee and Shareholders'/Investors' Grievance Committee have been considered for the Committee Positions.

Shri Radhey Shyam Agrawal, Shri Rajesh Agrawal and Shri Rakesh Agrawal are relatives as per the provisions of the Companies Act, 2013.

iii. Information provided to the Board:

The Board of the Company is presented with all information under the following heads, whenever applicable and materially significant. These are surmised either as part of the agenda will in advance of the Board Meetings or are tabled in the course of the Board Meetings. This, inter-alia, include:

1. Annual operating plans of businesses, capital budgets, updates.
2. Quarterly results of the Company and its operating divisions or business segments.
3. Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
4. Materially important litigations, show cause, demand, prosecution and penalty notices.
5. Fatal or serious accidents.
6. Any material default in financial obligations to and by the Company or substantial non-payment for services rendered by the Company.
7. Details of any joint venture or collaboration agreement or new client win.

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8. Any issue, which involves possible public liability claims of substantial nature, including any judgment or order, which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
9. Transactions had involved substantial payments towards good-will, brand equity, or intellectual property.
10. Significant development in the human resources front.
11. Sale of material, nature of investments, subsidiaries, assets which is not in the normal course of business.
12. Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement.
13. Quarterly update on the return from deployment of surplus funds.
14. Non-compliance of any regulatory or statutory provisions or listing requirements as well as shareholder services as non-payment of dividend and delays in share transfer.
15. Significant labour problems and their proposed solutions. Any significant development in Human Resources /Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc

iv. Brief resume of Director who will be retiring by rotation at this Annual General Meeting of the Company

Shri Rakesh Agrawal, aged 49 Years residing at Mumbai has been director of the Elegant Marbles & Grani Industries Limited. He has experience in the business of related Industry.

3. COMMITTEES OF THE BOARD

The Board has three Committees: the Audit Committee, the Nomination & Remuneration Committee and the Stakeholders' Relationship Committee.

(a) AUDIT COMMITTEE

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting progress with a view to ensuring accurate timely and proper disclosures and transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out by the management, internal auditors on the financial reporting process and the safeguards employed by them.

i. Composition, Name of Members and Chairman

The Audit Committee was reconstituted pursuant to the provision of Section 177 of the Companies Act, 2013 (as amended or re-enacted from time to time)

The reconstituted Audit Committee of the Company comprises of 2 Independent Directors & 1 Executive Promoter Director as under:

Name of the Member	Designation
Shri Radhey Shyam Agarwal	Chairman - Non Executive Independent Director
Shri Raj Kumar Mittal	Member - Non Executive Independent Director
Shri Rajesh Agrawal	Member – Promoter & Executive Director

ii. Brief description of the terms of reference

The terms of reference of the Audit Committee are as follows:

- (a) To oversee the Company's financial reporting process and the disclosure of its financial information and to ensure that the financial statements are correct, sufficient and credible.
- (b) To recommend the appointment / removal of external auditors, fixing auditors fees and to approve payments for any other services.
- (c) To review with management the annual financial statements before submission to the Board, focusing primarily on:
 - Any change in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management Qualifications in the draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with the accounting standards.
 - Compliance with Stock Exchange and legal requirements concerning financial statements.
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relative etc. that may have potential conflict with the interests of the Company at large.
 - Matters required to be included in the Directors Responsibility Statement to be included in the Board Report in terms of Clause (2AA) of section 217 of the Companies Act, 1956.
- (d) To review and approve annual accounts of the Company and recommended to the Board for consideration or otherwise.
- (e) To review with Management; external and internal auditors, and review the efficacy of internal control systems.
- (f) To review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- (g) To review the Company's financial and risk management policies.

iii. Meetings and Attendance during the year 2013-14

The Audit Committee met 4 (Four) times during the year and the attendance record is as per the table given below:

Date of Meeting	Shri Radhey Shyam Agarwal	Shri Raj Kumar Mittal	Shri Ram Chawla
20.05.2013	✓	✓	✓
23.07.2013	✓	✓	✓
29.10.2013	✓	✓	✓
25.01.2014	✓	✓	✓
Total Meetings attended	4	4	4

Elegant Marbles & Grani Industries Ltd.

iv. Powers of Audit Committee

The audit committee shall have the following powers, which includes the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant with relevant expertise, if it considers necessary.

v. Review of Information by Audit committee

The Audit Committee shall mandatorily review the following information:

1. Management Discussion and analysis of financial condition and results of operations;
2. Statement of related party transactions (As defined by Audit Committee), submitted by Management;
3. Management letters / letters of internal control weakness issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

(b) NOMINATION & REMUNERATION COMMITTEE

The Remuneration Committee was reconstituted and renamed as Nomination & Remuneration Committee as per the requirements of the Companies Act, 2013.

The terms of reference of the remuneration committee in brief pertain to inter-alia, determining the Companies policy on and approve specific remuneration packages for executive director (s)/Manager under the Companies Act, 1956 after taking in to account the financial position of the Company, trend in the industry, appointees qualification, experience, past performance, interest of the Company and members. The Committee also acts a nomination Committee, as per circular of RBI dated 08 May, 2007, to ensure 'fit and proper' status of the Directors appointed / reappointed and recommend their appointment / reappointment to the Board of Directors.

During the year the Remuneration Committee met on 20th May, 2013. Shri Ram Chawla, Shri Raj Kumar Mittal & Shri Radhey Shyam Agarwal attended the meeting. The reconstituted Nomination & Remuneration Committee comprises of 3 Non-Executive Independent Directors and 1 Executive Promoter Director:

Name of the Member	Designation
Shri Radhey Shyam Agarwal	Chairman - Non Executive Independent Director
Shri Raj Kumar Mittal	Member - Non Executive Independent Director
Shri Ram Chawla	Member - Non Executive Independent Director
Shri Rajesh Agrawal	Member – Promoter & Executive Director

Remuneration of directors

(i) Details of payments made to Non-Executive Independent Directors during the year 2013-14 are given below:

Name of Directors	Sitting Fees For Non-Executive Independent Directors ₹
Shri Ram Chawla	8,000
Shri Radhey Shyam Agarwal	8,000
Shri Raj Kumar Mittal	8,000

(ii) Details of remuneration paid to Managing Directors during the year 2013-14 are given below:

Name of Directors	Remuneration (Including Allowances & Bonus) ₹	Perquisites (as per income tax rules) In Cash Or Kind ₹	Service Contract
Shri Rajesh Agrawal	18,00,000	2,70,000	1st Aug, 2012 to 31st July, 2015
Shri Rajesh Agrawal	18,00,000	2,70,000	1st Oct, 2012 to 30th Sep, 2015

Pecuniary relationship or transactions of non-executive directors

During the year under review, there were no pecuniary relationships and transactions of any non-executive director with the Company.

Criteria of making payments to non-executive directors

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision making and provide leadership and strategic guidance while maintaining objective judgment. They also oversee corporate governance framework of the Company.

The Company currently has no stock option plan for any of its directors. During the year under review, none of the directors was paid any performance-linked incentive. In F.Y. 2013-14, the Company did not advance any loans to any of the non-executive directors.

(c) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The shareholders/investors grievance committee has been renamed and reconstituted as the Stakeholders' Relationship Committee as per the requirements of the Companies Act, 2013.

i. Scope of the Committee

The scope of the Shareholders Grievance Committee is to review and address the grievance of the shareholders in respect of share transfers, transmission, non-receipt of

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annual report, non-receipt of dividend etc, and other related activities. In addition, the Committee also looks into matters which can facilitate better investor's services and relations.

ii. Composition of the Committee

Name of the Member	Designation
Shri Ram Chawla	Chairman - Non Executive Independent Director
Shri Radhey Shyam Agarwal	Member - Non Executive Independent Director
Shri Rajesh Agrawal	Member - Promoter & Executive Director

During the year the under review, one meeting of this committee was held on 19th September, 2013. Shri Ram Chawla, Shri. Raj Kumar Mittal & Shri Rajesh Agrawal attended the meeting.

This Committee looks into redressal of Shareholders' and investors' complaints with respect to transfer/transmission of shares, non-receipt of annual report, dividend warrants etc.

iii. Compliance Officer

NAME OF THE COMPLIANCE OFFICER	Shri Hitesh Kothari
CONTACT DETAILS	Elegant House, Raghuvanshi Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013
E- MAIL ID	elegantmarbles@gmail.com

4. GENERAL BODY MEETINGS

Details of Annual General Meetings held in the three previous years and Special Resolutions passed thereat:

Following table details the particulars of the last Three Annual General Meetings of the Company

Financial Year	Date & Time	Venue	Special Resolutions passed
2010- 2011	28 th September, 2011 at 9.00 a.m.	E-7/9, RIICO Industrial Area, Abu Road – 307 026, Rajasthan	There were no special resolutions passed for the financial year 2010-11.
2011- 2012	24 th July, 2012 at 9.00 a.m.	E-7/9, RIICO Industrial Area, Abu Road – 307 026, Rajasthan	Consent of the Company under sections 198,269,309,310,314 and read with schedule XIII and other related provisions of the Companies Act, 1956, for the appointment of Shri Rajesh Agrawal as the Chairman and Managing Director and Shri Rakesh Agrawal as Managing Director, for a period of 3 years w.e.f. 1st August, 2012 and 1st October, 2012 respectively as per the terms and conditions detailed in the resolution read together with the Explanatory Statement thereto.
2012-2013	8 th August, 2013 at 9.00 a.m.	E-7/9, RIICO Industrial Area, Abu Road – 307 026, Rajasthan	No special resolutions passed for the financial year 2012-13.

5. MANAGEMENT

i. Management discussion and analysis

This is given as a separate chapter in this annual report.

ii. Disclosure of material transactions

Pursuant to clause 49 of the listing agreement, senior management members have given disclosures to the Board that there are no material, financial and commercial transactions where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company.

6. SHAREHOLDERS

i. Appointment/Reappointment

Appointment and/or re-appointment of directors According to the Companies Act, 1956, at least two-third of the Board should consist of retiring directors. Of these, one-third is required to retire every year and, if eligible, may seek re-appointment by the shareholders.

Accordingly Shri Rakesh Agrawal retire from Board by rotation this year and, being eligible, have offered his candidature for re-appointment. Their candidature has been recommended by the remuneration and nomination committee to the Board, which in turn has recommended the same for approval of the shareholders.

Brief profiles of the directors proposed to be re-appointed are given in the notice convening the ensuing annual general meeting of the Company.

ii. Communication to shareholders

Quarterly, half yearly and annual financial results are published in Free Press Journal and Navshakti along with the official press release.

The Company has a website www.elegantmarbles.com which contains all important public domain information including presentations made to the media, analysts and institutional investors. The website also contains information on matters concerning the shareholders and details of the corporate contact persons. All financial and other vital official news releases are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

The Company also files the following information, statements and reports on www.elegantmarbles.com as specified by SEBI:

Elegant Marbles & Grani Industries Ltd.

Full version of the annual report including the balance sheet, statement of profit and loss, cash flow statement, directors' report and auditors' report and quarterly financial statements

1. Corporate governance report
2. Shareholding pattern

7. DISCLOSURES

i. Disclosures regarding materially significant related party transactions

No transaction of material nature has been entered into by the Company with its Promoters or Directors or management or relatives etc. that may have potential conflict with the interest of the Company.

All transactions with the Related Parties were in the ordinary course of business and at arms length.

ii. Disclosure of non-compliance by the Company

There was no non-compliance during the year and no penalties were imposed on the Company by the Stock Exchange, SEBI or any other statutory authority. The Company obtained a certificate from the statutory auditor of the Company with respect to compliance with the conditions of corporate governance and annexed the certificate with the Directors' Report and sent the same to all the shareholders of the Company and to all the concerned Stock Exchanges along with the annual reports filed by the Company.

iii. Prevention of Insider Trading

In compliance With the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations 1992, as amended till date on prevention of Insider Trading, the Company has a comprehensive code of conduct and the same is being strictly adhered by its management staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made while dealing with shares of the company and cautioning them on the consequences on non-compliance thereof.

The Company follows quiet periods (closure of trading window) prior to its publication of unpublished price sensitive information. During the quiet period, the Company has set up a mechanism where the management and relevant staff and business associates of the Company are informed not to trade in Company's securities.

The company also affirms that no personnel has been denied access to the audit committee.

iv. Code of conduct

In terms of Clause 49 of the Listing Agreement(s), the Company has adopted a Code of Conduct for the board of Directors and Senior Management Personnel of the Company. The same has been posted on the Company's website. The Declaration by the Chairman and Managing Director of the Company forms part of this Report.

v. Details of Compliance with Clause 49 of the Listing Agreement

The Company has complied with the provisions of Clause 49 of the Listing Agreement.

8. MEANS OF COMMUNICATION

- (a) The Company placed all the quarterly results and annual results in daily newspaper in Marathi and English.
- (b) The Management Discussion and Analysis (MDA) report has been included in this Annual Report.

9. SHAREHOLDER INFORMATION

i. Forth Coming Annual General Meeting

The forthcoming Annual General Meeting of the Members of Elegant Marbles & Grani Industries Limited will be held at E-7/9, RIICO Industrial Area, Abu Road – 307026, Rajasthan on Wednesday, 24th September, 2014 at 9.00 a.m.

ii. Financial Year of the Company

Financial year of the Company is 1st April to 31st March every year.

iii. Date of Book Closure

Share Transfer Books of the Company will be closed from 19th September, 2014 to 23rd September, 2014 (both days inclusive).

iv. Listing on Stock Exchange

- The Bombay Stock Exchange Limited, Mumbai
- The Jaipur Stock Exchange, Jaipur

v. Stock Code

- Bombay Stock Exchange code – 526705
- The Jaipur Stock Exchange code - 483

vi. The ISIN NO. in CDSL INE095B01010

vii. Market Price Data

Table below gives the monthly high and low prices and volumes of trading of Equity Shares of the Company at Bombay Stock Exchange Limited (BSE) for the year 2013-14:

Month	High	Low
April 2013	—	—
May 2013	35.40	33.75
June 2013	35.00	32.50
July 2013	37.00	33.55
August 2013	35.36	30.45
September 2013	29.60	29.60
October 2013	35.00	31.05
November 2013	35.00	34.00
December 2013	36.45	33.25
January 2014	36.60	31.80
February 2014	36.00	33.20
March 2014	36.00	32.00

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viii. Distribution of shareholding as on 31st March, 2014

No. of Equity Shares held	No. of Shareholders	Share Amount ₹	% of Shareholdings
Upto 500	1137	15,89,880	3.533
501-1000	78	6,15,390	1.368
1001-2000	29	4,52,900	1.006
2001-3000	7	1,74,070	0.387
3001-4000	6	2,11,590	0.470
4001-5000	8	3,61,950	0.804
5001-10,000	5	4,42,450	0.983
10001 & above	22	4,11,51,770	91.448
TOTAL	1292	4,50,00,000	100.000

ix. Pattern Of Shareholding By Ownership As On 31st March, 2014

Category	No. of Shares	% of total shares
Promoters	32,52,400	72.28
Persons acting in concert	NIL	NIL
Mutual Funds & UTI	NIL	NIL
Banks/ FIs/ Insurance Co. (Central / State Govt./ Non- Govt. Institutions)	600	0.01
Corporate Bodies	2,49,730	5.55
NRIs/OCBs	5,170	0.11
Clearing Members	450	0.01
Indian Public	9,91,650	22.04
Total	45,00,000	100.00

x. Financial Release Dates for 2014-2015

Quarter	Release Date (Tentative and subject to change)
1st Quarter ending 30th June	31st July, 2014
2nd Quarter ending 30th September	31st October, 2014
3rd Quarter ending 31st December	31st January, 2015
4th Quarter ending 31st March	30th April, 2015

xi. Registrar and Share Transfer agents

Universal Capital Securities Private Limited.
21, Shakil Niwas, Near Satya Sai Baba Mandir,
Mahakali Caves Road, Andheri (East), Mumbai – 400 093.

xii. Share Transfer System

Shares sent for transfer in physical form are registered and returned by Registrar and Share Transfer agents within 30 days from the date of receipt of documents, provided the documents are found in order. Share under objection are returned within 21 days.

xiii. Address for correspondence

For any Query relating to the Shares of the Company:
Elegant House
Raghuvanshi Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai- 400 013.

By Order of the Board of Directors
For Elegant Marbles & Grani Industries Limited

DATE : 12th August, 2014
PLACE : Mumbai

Rajesh Agrawal
(Chairman & Managing Director)

Declaration On Code Of Conduct

As required by clause-49 (1)(D) of the Listing Agreement with the Stock Exchange, it is hereby declared that all the Board Members and senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31 march 2014.

DATE : 12th August, 2014
PLACE : Mumbai

Rajesh Agrawal
(Chairman & Managing Director)

Elegant Marbles & Grani Industries Ltd.

CEO / CFO CERTIFICATION

To,
The Board of Directors,
ELEGANT MARBLES & GRANI INDUSTRIES LIMITED

I hereby certify to the Board that:

- a. I have reviewed the Financial Statements and the Cash Flow Statements and the Cash Flow Statements for the year 2013–2014 and that to the best of my knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading.
 - ii) These statements together present a true and fair view of Companies affair and are in Compliance with existing Accounting Standards, Applicable Laws and Regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, 2013–2014 which are fraudulent, illegal or violative of the Company's code of conduct.
- c. I accept the responsibility for establishing and maintaining the internal controls for the Financial Reporting and that I have evaluated the effectiveness of the internal control systems of the company pertaining to the financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operations of such internal controls, if any, of which I am aware and steps I have taken or proposed to take to rectify these deficiencies.

For ELEGANT MARBLES & GRANI INDUSTRIES LIMITED

Place : Mumbai
Dated : 12th August, 2014

Rajesh Agrawal
Chairman & Managing Director

Auditors Certificate On Corporate Governance

To the Members
Elegant Marbles And Grani Industries Limited
Abu Road.

We have examined the compliance of conditions of Corporate Governance by Elegant Marbles And Grani Industries Limited for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and management, we certify that the Company had complied with the conditions of Corporate Governance as stipulated in 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 the Registrars and Share Transfer Agents of the Company have maintained records to show the investor grievances against the Company and have certified that as on 31st March 2014, there were no investor grievance remaining unattended/pending for more that 30 days.

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

For Ravi & Dev
Chartered Accountants
FR No. 108752W

Place : Mumbai
Date : 12th August, 2014

(Devendra A. Mehta)
Partner
M No. 82325

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AUDITORS' REPORT

To the Members
Elegant Marbles And Grani Industries Limited,
Abu Road.

Report on the Financial Statements

We have audited the accompanying financial statements of Elegant Marbles and Grani Industries Limited, which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit & Loss Account 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 notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. 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 Institutes 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 auditors judgement, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Act in the manner so required and subject to no provision having been made in respect of accrued gratuity liability, 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 the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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 said order.

1. 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 the law have been kept by the company so far as appears from our examination of those 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs)
- (e) On 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 director 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 Act.

For Ravi & Dev
Chartered Accountants
FR. No. 108752W

(Devendra A. Mehta)
Partner
M. No. 82325

Place : Mumbai,
Date : 29th May, 2014

ANNEXURE TO THE AUDITOR'S REPORT (Referred to in Paragraph 1 of our report of even date)

To the Members of
Elegant Marbles And Grani Industries Limited,
Abu Road.

- i.
 - a) As informed by the management, the proper records of fixed assets showing full particulars including quantitative details and location of fixed assets are under updation and compilation.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year at regular intervals, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) The company has not disposed of any substantial part of its fixed assets during the year. Accordingly, the going concern status of the company, on account of disposal of fixed assets, is not affected.
- ii.
 - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to information and explanation given to us, the procedures of physical verification of the company are reasonable and adequate having regard to the size of the company and nature of its business.
 - c) In our opinion and according to the information and explanation given to us, the company is maintaining proper records of inventory. The discrepancies noticed on such verification between physical stocks and book records were not material and have been properly dealt with in the books of accounts.
- iii. The company has neither granted nor taken any loans, secured or unsecured to/from any companies, firms or other parties covered in the register

Elegant Marbles & Grani Industries Ltd.

maintained under section 301 of the Companies Act, 1956.

- iv. In our opinion and according to the information and explanation give to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory , fixed assets and also for the sale of goods & services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. a. According to the the information and explanations given to us, we are of the opinion that the particulars of Contracts or arrangements referred to in section 301 of the Companies Act, 1956 which were required to be entered have been so entered.
b. In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements exceeding ₹ 5 Lacs have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit in contravention of section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and rules framed thereunder. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Court or tribunal.
- vii. The Company does not have an internal audit system. The management has informed us that steps are being taken to introduce internal audit system.
- viii. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rule made by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we are not required to carry out and have not carried out a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. a. The company is regular in depositing undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues with appropriate authorities, wherever applicable to it.
b. According to the information and explanations given to us, as at 31st March, 2014 no undisputed amounts payable in respect of income tax, wealth tax, sales tax, Service tax, custom duty, excise duty and cess were in arrears for a period exceeding six months from the date they became payable.
c. In our opinion and in accordance with the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute except the following :
- | Name of the Statute | Nature of Dues | Period to which the amount relates | Forum where dispute is pending | Amount ₹ |
|----------------------|-----------------|------------------------------------|--------------------------------|-----------|
| Income Tax Act, 1961 | Income Tax | F.Y. 2010-11 | CIT (Appeals) | 16,03,540 |
| MMC Act, 1888 | Municipal Taxes | F.Y. 2003-04 to F.Y. 2013-14 | Brihan Mumbai Mahanagar Palika | 14,56,377 |
- x. The Company does not have any accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the company has not borrowed any funds from financial institution, bank or debenture holders.
- xii. The company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- 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. In our opinion and according to Information and explanations given to us, the Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, Debentures and other investments have been held by the company in its own name.
- xv. According to the information and explanation given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
- xvi. In our opinion, the company has not taken any term loan.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investments.
- xviii. During the year, the company did not make any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. During the year, the company has not issued any debentures.
- xx. During the year, the company did not raise any money by way of public issue.
- xxi. In our opinion, on the basis of audit conducted by us and in accordance with 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 Ravi & Dev
Chartered Accountants
FR No. 108752W

(Devendra A. Mehta)
Partner
M No. 82325

Place : Mumbai
Date : 29th May, 2014

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BALANCE SHEET AS AT 31ST MARCH, 2014

	Notes	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
I. EQUITY AND LIABILITIES			
<u>Shareholders Funds</u>			
Share Capital	1	4,50,00,000	4,50,00,000
Reserves & Surplus	2	49,24,03,881	45,38,44,792
		53,74,03,881	49,88,44,792
<u>Non-current liabilities</u>			
Long Term Borrowing		—	—
Deferred Tax Liabilities (Net)		—	—
Other Long Term Liabilities	3	44,92,530	35,92,530
		44,92,530	35,92,530
<u>Current liabilities</u>			
Trade Payables		5,08,17,349	5,60,81,475
Other Current Liabilities	4	1,17,91,266	3,53,93,107
Short-term Provisions	5	1,21,43,887	1,28,00,432
		7,47,52,502	10,42,75,014
	TOTAL	61,66,48,913	60,67,12,336
II. ASSETS			
<u>Non-current assets</u>			
<u>Fixed Assets</u>			
Tangible Assets	6	1,10,10,051	1,21,84,574
Non-Current Investments	7	44,02,43,297	42,07,68,390
Deferred Tax Assets (Net)		70,54,546	21,70,170
Long-term Loans and Advances	8	40,35,327	38,61,142
		46,23,43,221	43,89,84,276
<u>Current assets</u>			
Inventories	9	12,16,06,689	10,54,78,941
Trade Receivables	10	1,55,26,843	49,31,250
Cash and Cash Equivalents	11	1,12,01,918	4,38,07,907
Short-term Loans and Advances	12	30,69,408	25,52,986
Other Current Assets	13	29,00,834	1,09,56,976
		15,43,05,692	16,77,28,060
	TOTAL	61,66,48,913	60,67,12,336
Notes to Accounts	19		

As per our Report of even date attached

For **RAVI & DEV**

Chartered Accountants

FR. No. 108752W

(DEVENDRA A. MEHTA)

Partner

M. No. : 82325

Place : Mumbai

Date : 29th May, 2014

For & on behalf of Board of Directors

Rajesh Agrawal
Chairman & Managing Director

Rakesh Agrawal
Managing Director

Mumbai

29th May, 2014

Elegant Marbles & Grani Industries Ltd.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

	Notes	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
I. INCOME			
Revenue from operations	14	25,30,27, 449	21,56,84,146
Other Income	15	4,24,37,404	3,62,81,384
TOTAL		<u>29,54,64,853</u>	<u>25,19,65,530</u>
II. EXPENDITURE			
Cost of Raw Material Consumed		6,85,33,052	4,34,08,273
Purchases of Traded Goods		13,90,77,751	12,27,85,470
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	16	(1,07,63,146)	53,00,486
Employees Benefit Expenses	17	62,19,432	60,55,224
Depreciation and Amortization Expense	6	13,74,676	15,83,743
Other Expenses	18	3,69,49,300	2,93,68,943
TOTAL		<u>24,13,91,065</u>	<u>20,85,02,139</u>
Profit for the year before taxes		5,40,73,788	4,34,63,391
Tax expense:			
(1) Current Tax		(98,00,000)	(72,00,000)
(2) Deferred Tax (Net)		48,84,376	(11,40,012)
(3) Previous years Income Tax		(69,525)	—
Profit for the year after taxes		<u>4,90,88,639</u>	<u>3,51,23,379</u>
Earnings per equity share:			
(1) Basic		10.91	7.81
(2) Diluted		10.91	7.81

Notes to Accounts

19

As per our Report of even date attached

For **RAVI & DEV**

Chartered Accountants

FR. No. 108752W

(DEVENDRA A. MEHTA)

Partner

M. No. : 82325

Place : Mumbai

Date : 29th May, 2014

For & on behalf of Board of Directors

Rajesh Agrawal
Chairman & Managing Director

Rakesh Agrawal
Managing Director

Mumbai

29th May, 2014

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NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2014

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
NOTE 1 : SHARE CAPITAL		
AUTHORISED		
50,00,000 (Previous Year : 50,00,000) Equity Shares of ₹10/- each	5,00,00,000	5,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP		
45,00,000(Previous year : 45,00,000) Equity Shares of ₹10/- each	4,50,00,000	4,50,00,000
TOTAL	4,50,00,000	4,50,00,000

(a) Reconciliation of the Equity Shares outstanding at the beginning and at the end of the year :

Particulars	As at 31st March, 2014		As At 31st March, 2013	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
At the beginning of the period	45,00,000	4,50,00,000	45,00,000	4,50,00,000
Issued during the period - Bonus Issue	—	—	—	—
Issued during the period - Preferential Allotment	—	—	—	—
Outstanding at the end of the year	45,00,000	4,50,00,000	45,00,000	4,50,00,000

(b) Equity Shareholder holding more than 5% equity shares along with number of equity shares is given below :

Name of the Shareholder	As at 31st March, 2014		As At 31st March, 2013	
	No. of Shares	%	No. of Shares	%
Smt. Alka Agrawal	5,45,000	12.11%	5,45,000	12.11%
Smt. Divya Agrawal	5,25,000	11.67%	5,25,000	11.67%
Smt. Gita Agrawal	2,70,000	6.00%	2,70,000	6.00%
Shri Rajesh Agrawal	10,06,800	22.37%	10,06,800	22.37%
Shri Rakesh Agrawal	8,90,000	19.78%	8,90,000	19.78%
	32,36,800	71.93%	32,36,800	71.93%

(c) Terms/rights attached to equity shares :

The company has only one class of equity shares having a par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Elegant Marbles & Grani Industries Ltd.

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2014

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
NOTE 2 : RESERVES & SURPLUS		
Share Premium Reserve		
Balance as per last Balance Sheet	2,85,00,000	2,85,00,000
Add: Received during the year	—	—
Less: Share issue expenses	—	—
Balance at the end of the year	<u>2,85,00,000</u>	<u>2,85,00,000</u>
General Reserve		
Balance as per last Balance Sheet	19,11,22,383	18,51,22,383
Add : Current year transfer	60,00,000	60,00,000
Less : Written back in current year	—	—
Balance at the end of the year	<u>19,71,22,383</u>	<u>19,11,22,383</u>
Surplus in the Statement of Profit and Loss		
Balance as per last Balance Sheet	23,42,22,409	21,55,59,055
Add: Net Profit/(Net Loss) for the year	4,90,88,639	3,51,23,379
Amount Available for Appropriation	<u>28,33,11,048</u>	<u>25,06,82,434</u>
Appropriations :		
Proposed Dividend	(90,00,000)	(90,00,000)
Tax on Dividend	(15,29,550)	(14,60,025)
Transfer to General Reserve	(60,00,000)	(60,00,000)
Balance at the end of the year	<u>26,67,81,449</u>	<u>23,42,22,409</u>
TOTAL	<u><u>49,24,03,832</u></u>	<u><u>45,38,44,792</u></u>
NOTE 3 : OTHER LONG TERM LIABILITIES		
Deposit from Lessee	40,00,000	31,00,000
Municipal Taxes Payable	4,92,530	4,92,530
TOTAL	<u><u>44,92,530</u></u>	<u><u>35,92,530</u></u>
NOTE 4 : OTHER CURRENT LIABILITIES		
Unpaid Dividend	6,17,128	6,32,709
Deposit from Lessee	5,00,000	—
Other Payables		
Advance from customers	79,48,025	3,28,78,943
Statutory dues payable	2,80,555	2,31,219
Employee related liabilities	91,240	65,699
Other Liabilities	23,54,318	15,84,537
TOTAL	<u><u>1,17,91,266</u></u>	<u><u>3,53,93,107</u></u>
NOTE 5 : SHORT-TERM PROVISIONS		
Proposed Dividend	90,00,000	90,00,000
Provision for Corporate Dividend Tax	15,29,550	14,60,025
Provision for Taxation	16,14,337	23,40,407
TOTAL	<u><u>1,21,43,887</u></u>	<u><u>1,28,00,432</u></u>

NOTE 6 : ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2014

NOTE 6 : FIXED ASSETS

Name of Assets	GROSS BLOCK				DEPRICIATION				NET BLOCK	
	As on 01.04.2013	Additions Sale	Total 31.03.2014	Rate %	As on 01.04.2013	Written Off	Written Back	Total 31.03.2014	As on 31.03.2014	As on 31.03.2013
Leasehold Land	26,66,854	—	26,66,854	—	—	—	—	—	26,66,854	26,66,854
Factory Building	51,22,900	—	51,22,900	3.34	36,67,650	1,71,105	—	38,38,755	12,84,145	14,55,250
Office Premises	9,32,626	—	9,32,626	1.63	2,16,726	15,202	—	2,31,928	7,00,698	7,15,900
Plant & Machinery	2,15,87,435	—	2,15,87,435	4.75	2,13,00,019	54,718	—	2,13,54,737	2,32,698	2,87,416
Cranes	20,94,176	—	20,94,176	4.75	19,61,034	49,650	—	20,10,684	83,492	1,33,142
Office Equipments	21,09,485	62,441	21,71,926	4.75	7,57,742	96,290	—	8,54,032	13,17,894	13,51,743
Air Conditioner	19,74,611	—	19,74,611	4.75	6,62,949	93,797	—	7,56,746	12,17,865	13,11,662
Computer	14,71,261	1,37,715	16,08,976	16.21	11,93,208	90,117	—	12,83,325	3,25,651	2,78,053
Motor Car & Other Vehicles	93,56,878	—	93,56,878	9.50	60,25,494	6,78,527	—	67,04,021	26,52,857	33,31,384
Furniture & Fixtures	20,55,487	—	20,55,487	6.33	14,02,320	1,25,270	—	15,27,590	5,27,897	6,53,167
TOTAL	4,93,71,713	2,00,156	4,95,71,869		3,71,87,142	13,74,676	—	3,85,61,818	1,10,10,051	1,21,84,571
Previous year	4,88,08,329	7,63,383	2,00,000		4,93,71,713	14,37,312	1,46,431	3,71,87,138	1,21,84,574	1,30,58,504

Elegant Marbles & Grani Industries Ltd.

NOTE 7 : QUOTED NON-CURRENT INVESTMENTS

Non-Trade Investment (valued at cost unless stated otherwise)

Name of the Company	No of Shares/Units as at 31.03.2014	Face value	Paid up Value	As at 31st March, 14 ₹	As at 31st March, 13 ₹
Investment in Quoted Shares					
3I Infotech Ltd	5,000	10	10	4,51,085	4,51,085
Aftek Ltd	10,000	2	2	8,10,706	8,10,706
Allahabad Bank	7,000	10	10	4,81,788	-
Anant Raj Industries Ltd	-	10	10	-	4,65,161
Andhra Sugars Ltd	2,279	10	10	3,33,080	10,69,899
Apar Industries	3,000	10	10	3,88,728	-
Asahi India	-	1	1	-	11,50,116
Asian Paints Ltd	4,059	1	1	20,12,295	-
Balmer Lawrie & Co. Ld	2,184	10	10	7,21,171	7,19,799
Basf India Ltd	1,500	10	10	9,02,885	18,74,428
Bharat Electronics Ltd	1,431	10	10	17,82,007	24,67,958
Bharat Heavy Electricals Ltd	-	2	2	-	8,18,975
Bombay Burmah Trading Corp. Ltd	30,672	10	10	32,97,651	24,79,305
Bosch Ltd.	396	10	10	21,70,254	25,66,621
Britania Industries Ltd.	5,500	10	10	7,12,959	9,73,364
Cairn India Ltd.	5,078	10	10	15,18,145	17,05,384
Canara Bank	16,000	10	10	35,05,327	35,05,327
Central Bank of India	-	10	10	-	38,54,706
Century Textiles	8,273	10	10	92,29,529	92,29,529
Cholamandalam DBS Finance Ltd	-	10	10	-	4,67,683
Coal India Ltd	10,801	10	10	26,46,245	26,46,245
Crompton Greaves Ltd	-	10	10	-	6,30,431
D B Realty Ltd	13,250	10	10	15,46,764	15,46,764
Datamatics Ltd.	-	10	10	-	4,27,207
Deccan Cronicle Holding Ltd	10,000	2	2	18,35,884	18,35,884
Dhanalakshmi Bank Ltd	-	10	10	-	3,63,000
Divis Laboratories Ltd	2,358	10	10	27,25,523	29,09,465
Eicher Motors Ltd	733	10	10	16,38,242	18,19,669
Electrosteel Casting Ltd	30,000	1	1	22,23,723	22,23,723
Engineer India Ltd	-	5	5	-	8,55,911
Federal Mogul Goetze I Ltd	1,000	10	10	2,62,717	2,62,717
Financial Technologies India Ltd	-	2	2	-	19,78,438
Glaxosmithkline Pharmaceuticals Ltd.	-	10	10	-	14,67,220
Godawari Power	48,950	10	10	1,72,95,522	1,72,95,522
HDFC Bank	6,326	10	10	13,29,361	17,03,018
HDIL	10,300	10	10	8,77,455	8,77,455
Heidelberg Cements	10,000	10	10	4,81,698	4,81,698
Hero Honda Motors Ltd.	-	2	2	-	8,83,967
Hero Motocorp Ltd.	975	2	2	7,93,723	-
Hindustan Petroleum Corporation Ltd	-	10	10	-	20,71,461
Hindustan Zinc Ltd.	2,10,000	10	10	23,86,964	23,86,964
Housing Development Finance Corp. Ltd.	3,706	10	10	15,48,905	16,71,422
I.F.C.I. Ltd.	75,000	10	10	62,73,878	62,73,878
IBN 18 Broadcast Ltd	-	1	1	-	13,11,413
ICICI Bank	-	10	10	-	11,07,828
IDFC Ltd	31,000	10	10	29,39,711	-
India Infoline Ltd	17,886	10	10	26,82,765	26,82,765
Indiabulls Infrastructure and Power Ltd	14,750	2	2	-	-
Indiabulls Real Estate Ltd	5,000	2	2	37,77,254	37,77,254
Indiabulls Wholesale Services Ltd	625	2	2	-	-
Infosys Technologies Ltd.	1,101	10	10	13,94,714	13,94,714
Jai Corp Ltd	10,000	1	1	6,50,900	6,50,900
Jain Irrigation Systems Ltd	15,000	2	2	8,65,021	3,79,077
Jaiprakash Associates Ltd	26,000	2	2	19,29,676	19,29,676
Jinal Poly Investment Ltd	250	10	10	-	-
Jindal Poly Films Ltd	1,000	10	10	-	-
Jindal Steel	1,000	1	1	4,59,880	4,59,880
JM Financial Ltd	30,300	1	1	3,87,058	21,54,229
Kalyani Investment Co. Ltd	1,127	10	10	5,15,389	5,15,389
Kalyani Steels	11,274	10	10	51,55,718	51,55,718
Karur Vysya Bank Ltd	4,295	10	10	16,80,595	20,83,374
Larsen & Toubro Ltd	8,631	2	2	63,04,249	29,10,302
Mahindra Holidays	38,920	10	10	1,19,36,822	1,19,36,822
Mercator Lines	5,000	1	1	2,54,465	2,54,465
MRF Ltd	80	10	10	8,49,602	31,40,570
Nestle India Ltd.	652	10	10	19,85,015	24,31,768
NTPC Ltd.	12,285	10	10	8,32,141	8,32,141
Parsvanath Developers Ltd.	10,000	10	10	16,73,837	16,73,837
Power Grid Corporation	-	10	10	-	19,41,202
Raymond Ltd.	7,500	10	10	33,23,485	33,23,485
Reliance Capital	2,000	10	10	6,42,593	6,42,593
Reliance Industries Ltd	4,000	10	10	42,80,731	42,80,731
Reliance Power	15,550	-	-	-	-

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NOTE 7 : NON-CURRENT INVESTMENTS (CONTD.)

Non-Trade Investment (valued at cost unless stated otherwise)

Name of the Company	No of Shares/Units as at 31.03.2014	Face value	Paid up Value	As at 31st March, 14 ₹	As at 31st March, 13 ₹
Sintex Industries Ltd	17,000	1	1	6,88,096	-
State Bank of India	5,730	10	10	57,51,356	58,63,967
Tata Motors Dvr	-	2	2	-	12,34,875
Tata Steel Ltd.	9,850	10	10	39,04,779	39,04,779
Tech Mahindra Ltd	1,977	10	10	31,31,593	-
United Bank of India	44,263	10	10	29,21,358	29,21,358
United Phosphorus	5,000	2	2	6,05,731	6,05,731
Videocon Industries Ltd	39,900	10	10	1,50,21,332	1,50,21,332
Wackhardt Ltd	1,750	5	5	5,62,708	5,62,708
Yes Bank	1,000	10	10	2,45,215	-
Total investment in quoted equity shares				15,95,38,004	17,43,06,992
Investment in quoted Debentures and bonds					
Investment in quoted Debentures					
18% Mighty Constructions NCD	85,000	100	100	85,00,000	85,00,000
18.5% Skylark Mansions Pvt Ltd	75,000	100	100	6,81,818	75,00,000
17.75% Century Real Estate Holdings Pvt Series I	63,000	100	100	42,00,000	63,00,000
17.50 % Marathon Realty Private Limited Ncd	2	1,00,00,000	1,00,00,000	1,84,00,000	2,00,00,000
18% Oceanus Dwellings NCD	1,00,000	100	100	96,06,547	-
18% BCIL Red Earth Developers India Pvt Ltd	1,00,000	100	100	1,00,09,890	-
18% Omkar Realtors and Develop NCD	76,000	100	100	71,65,323	-
18% Shah Group Builders Ncd	45,000	100	100	45,05,760	-
				6,30,69,338	4,23,00,000
Investment in quoted bonds					
Indian Railway Finance Corp. Ltd (Tax Free Bond)	12,979	1,000	1,000	1,29,93,470	1,29,93,470
National Highway Authority of India (Tax Free Bond)	4,945	1,000	1,000	49,45,000	49,45,000
Power Finance Corp. Ltd (Tax Free Bond)	5,696	1,000	1,000	56,96,000	56,96,000
				2,36,34,470	2,36,34,470
Total Investment in quoted Debentures and bonds				8,67,03,808	6,59,34,470
Investment in Quoted Units of Mutual Funds					
Birla Sunlife Fixed Term Plan Series ES Growth	-	-	-	-	1,10,00,000
Birla Sunlife Fixed Term Plan Series HL 366Days Gr	10,00,000	10	10	1,00,00,000	-
DSP Blackrock Opportunity Fund - Dividend Payout	3,16,544	10	10	79,32,603	79,32,603
DWS Short Maturity Fund Direct Plan Annual Bonus	1,73,983	-	-	-	-
Goldman Sachs Liquid Exchange Traded Scheme	186	1,000	1,000	1,86,014	4,000
Bechmark Liquid Bees	0	1,000	1,000	89	89
HDFC FMP 372D June 2012 (1) Growth Ser 22	-	-	-	-	1,08,91,880
HDFC FMP 400D March 2012 (1) Grow Ser XXI	-	-	-	-	3,00,00,000
HDFC FMP 370D Aug 2013 (1) Series 26 Regular Growth	10,00,000	10	10	1,00,00,000	-
HDFC FMP 370D Aug 2013 (3) Series 27 Regular Growth	10,00,000	10	10	1,00,00,000	-
IDFC Dynamic Bond Fund Growth (Direct Plan)	24,78,652	10	10	3,50,00,000	2,00,00,000
IDFC Equity Opportunity Ser 1 Regular Plan Dividend	5,00,000	10	10	50,00,000	-
Kotak Gilt (Investment Regular) Growth - (Citi)	-	-	-	-	75,00,000
Kotak Gilt (Investment Regular) Growth - (Enam)	2,88,600	10	10	1,15,00,000	-
Kotak Gilt (Investment Regular) Growth - (HDFC)	6,43,103	10	10	2,57,00,000	1,91,00,000
Morgan Stanley Mutual Fund	1,51,000	10	10	14,64,809	14,64,809
Reliance Banking Fund-Div Plan	6,36,163	10	10	2,22,72,250	2,22,72,250
Reliance Liquidity Fund Direct DDR	231	1,000	1,000	2,31,455	3,87,661
Reliance Fixed Horizon Fund XXI Ser 18 Growth	-	-	-	-	1,00,00,000
TATA Floater Fund Growth Plan (Citi Bank)	4,542	10	10	74,25,000	74,25,000
TATA Floater Fund Growth Plan (HDFC)	14,431	10	10	2,74,29,265	57,04,886
TATA Floater Fund Growth Plan (Kotak)	14	10	10	25,000	-
TATA FMP Series 39 Scheme G Growth	-	-	-	-	99,00,000
				17,41,66,485	16,35,83,178
UNQUOTED NON CURRENT INVESTMENT					
Investment in Unquoted Debentures					
Citicorp Finance India Ltd	-	-	-	-	25,55,150
Vijay Associates Wadhwa Construction Pvt. Ltd	-	-	-	-	25,53,600
					51,08,750
Investment in Unquoted real estate Units					
Kotak India Real Estate Fund	118	1,00,00	1,00,000	1,18,35,000	1,18,35,000
IDFC Real Estate Yield Fund	20,000	100	100	80,00,000	-
				1,98,35,000	1,18,35,000
TOTAL				44,02,43,297	42,07,68,390
Total value of quoted investments				42,04,08,297	40,38,24,638
Total market value of quoted investments				44,43,43,841	42,30,89,643
Total unquoted investments				1,98,35,000	1,69,43,750

Elegant Marbles & Grani Industries Ltd.

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2014

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
NOTE 8 : LONG-TERM LOANS AND ADVANCES		
<i>Advances recoverable in cash or in kind or for value to be received</i> (Unsecured & considered good)		
Deposits	40,35,327	38,61,142
TOTAL	<u>40,35,327</u>	<u>38,61,142</u>
 NOTE 9 : INVENTORIES		
<i>(As taken, valued and certified by the Management)</i> (Valued at lower of cost or net realisable value)		
Raw Material	1,84,21,579	1,30,56,977
Finished Goods	5,30,82,058	3,43,52,135
Stock in trade	5,01,03,052	5,80,69,829
TOTAL	<u>12,16,06,689</u>	<u>10,54,78,941</u>
 NOTE 10 : TRADE RECEIVABLES		
<i>(Unsecured & considered good, subject to confirmation)</i>		
1. Trade receivables outstanding for a period less than six months from the date they are due for payment	1,37,80,794	42,52,865
2. Trade receivables outstanding for a period exceeding six months from the date they are due for payment	17,46,049	6,78,385
TOTAL	<u>1,55,26,843</u>	<u>49,31,250</u>
 <i>Trade Receivable stated above include debts due by:</i>		
Directors	—	—
Other officers of the Company	—	—
Firm in which director is a partner	—	—
Private Company in which director is a member	—	—
TOTAL	<u>—</u>	<u>—</u>
 NOTE 11 : CASH AND BANK BALANCES		
<i>(a) Balances with Banks</i>		
Current Account	1,02,49,175	4,23,41,222
Cash on Hand	3,35,615	8,32,927
<i>(b) Other Bank Balances</i>		
Unclaimed Dividend Accounts	6,17,128	6,33,758
TOTAL	<u>1,12,01,918</u>	<u>4,38,07,907</u>

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NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2014

	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
NOTE 12 : SHORT TERM LOANS AND ADVANCES (Unsecured & considered good)		
<u>Advances recoverable in cash or in kind or for value to be received</u>		
Prepaid Expenses	6,31,835	6,16,631
Advance to Suppliers	24,32,047	19,27,531
Balance with Revenue Authorities	5,526	8,824
TOTAL	<u>30,69,408</u>	<u>25,52,986</u>
NOTE 13 : OTHER CURRENT ASSETS		
Interest accrued but not due	9,26,036	9,06,144
Rent receivable	1,67,197	12,69,390
Receivable from Portfolio Managers	18,03,065	87,81,442
Receivable - Others	4,536	—
TOTAL	<u>29,00,834</u>	<u>1,09,56,976</u>
NOTE 14 : REVENUE FROM OPERATIONS		
<u>Sale of products</u>		
Manufactured Goods	7,31,32,750	4,58,59,123
Traded Goods	17,89,37,425	16,83,79,803
Other operating revenues	9,57,274	14,45,220
Less: Excise duty	—	—
TOTAL	<u>25,30,27,449</u>	<u>21,56,84,146</u>
NOTE 15 : OTHER INCOME		
Rent received	1,24,10,000	1,14,18,125
Dividend received	88,15,490	78,92,118
Profit on sale of investments	1,05,58,288	1,04,49,157
Interest received	1,06,53,626	65,21,984
TOTAL	<u>4,24,37,404</u>	<u>3,62,89,046</u>
NOTE 16 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
<u>Opening stock:</u>		
Finished Goods	3,43,52,135	2,30,40,085
Traded Goods	5,80,69,829	7,46,82,365
	<u>9,24,21,964</u>	<u>9,77,22,450</u>
<u>Less:</u>		
<u>Closing stock:</u>		
Finished Goods	5,30,82,058	3,43,52,135
Traded Goods	5,01,03,052	5,80,69,829
	<u>10,31,85,110</u>	<u>9,24,21,964</u>
TOTAL	<u>(1,07,63,146)</u>	<u>53,00,486</u>

Elegant Marbles & Grani Industries Ltd.

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2014

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	₹	₹
NOTE 17 : EMPLOYEES BENEFIT EXPENSES		
Salaries & Wages	24,60,021	23,06,827
Directors' Remuneration	36,00,000	36,00,000
Provident Fund	54,548	41,884
E.S.I.C.	19,045	14,616
Bonus	80,164	61,525
Gratuity	—	28,750
Staff Welfare	5,654	1,622
TOTAL	62,19,432	60,55,224

NOTE 18 : OTHER EXPENSES

Consumables & Stores	33,72,314	25,58,731
Power & Fuel	41,31,955	38,80,584
Rent	90,90,776	1,01,73,572
Repairs & Maintenance (Machinery)	1,61,739	84,468
Repairs & Maintenance (Other)	72,803	13,39,498
Auditor's Remuneration	1,00,000	1,00,000
Insurance	5,87,168	6,06,022
Rates & Taxes (excluding taxes on income)	15,07,549	2,09,102
Job Work Charges	90,89,276	53,51,149
Motor Car Expenses	5,08,765	2,86,647
Telephone & Internet Expenses	5,50,445	5,30,485
Legal & Professional Fees	9,77,589	7,44,918
Travelling Expenses	24,05,944	16,74,042
Sales Promotion Expenses	21,62,809	5,26,153
Miscellaneous Expenses	22,30,168	13,03,572
TOTAL	3,69,49,300	2,93,68,943

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NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2014

19: NOTES TO ACCOUNTS

1. Significant Accounting Policies

1.1 Basis of preparation

- (i) The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and presented under the historical cost convention on accrual basis of accounting to comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.
- (ii) The preparation of financial statement in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

1.2 Fixed Assets

- (i) Fixed Assets are stated at cost (including adjustments on revaluation) less accumulated depreciation. Cost of acquisition is inclusive of freight, duties and other incidental expenses incurred during construction period and exclusive of cenvat credit availed thereon.
- (ii) Assets under erection/installation and advance given for capital expenditure are shown as "Capital work-in-progress". Expenditure during construction period are shown as "pre-operative expenses" to be capitalized on erection/installation of the assets.
- (iii) The depreciation on fixed assets has been provided on straight line method on Pro rata basis with reference to the month of addition/disposal at the rates specified in Schedule XIV of the Companies Act, 1956.
- (iv) The carrying amount of assets is reviewed at each balance sheet date for any indication of impairment based on internal & external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount and is charged to the Profit & Loss account in the year of identification as an impaired asset. The impairment loss recognized in prior accounting periods is reversed if there is a change in the estimate of recoverable amount.

1.3 Foreign Currency Transactions

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Foreign currency transactions remaining unsettled till the finalization of accounts of the year are translated at contracted rates, when covered by forward exchange contracts and at year end rates, in all other cases.

1.4 Investments

- (i) Investments are either classified as current or non-current based on the management intention at the time of purchase.
- (ii) Current Investment are carried at the lower of cost or market value. The comparison of cost and market value is done separately in respect of each category of investments.
- (iii) Non-current investments are carried at cost less any permanent diminution in value, determined separately for each individual investments. The reduction in the carrying amount is reversed when there is rise in the value of investments or if the reason for the reduction no longer exist.

1.5 Inventory

- (i) Inventories are valued at lower of cost or market value on FIFO basis.
- (ii) Cost of inventory generally comprise of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as cost of finished goods and goods in transit stated at cost.

1.6 Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation and carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

1.7 Depreciation

The Company is providing depreciation on straight line method as per rates given in Schedule XIV of the Companies Act, 1956 on pro rata basis.

1.8 Contingent Liability

Contingent Liability, if any, are generally not provided for in the accounts and are shown separately as a note to the accounts.

1.9 Sales-tax & Service tax collected by the company are not treated as a part of its revenue.

1.10 Earning Per Share

The basic earning per share (EPS) is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the current year. For the purpose of calculating diluted earning per share, net profit after tax and the weighted number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.11 Employee Benefits

- (i) Post-employment benefits plans
Defined Contribution Plan - Contributions to provident fund and pension fund are accrued in accordance with applicable statute and deposited with appropriate authorities.
- (ii) Short term employment benefits
The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employees render the services. These benefits include compensated absence also.

Elegant Marbles & Grani Industries Ltd.

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2014 NOTE 19 : NOTES TO ACCOUNTS (CONTD.)

1.12 Financial Derivatives & Commodity Hedging Transactions

- a. Financial derivatives and commodity hedging contracts are accounted on the date of their settlement and realised gain/loss in respect of settled contracts are recognised in the profit & loss account.
- b. The unrealised loss on contracts outstanding at the year end are provided for in the books of account of Company in accordance with the guidance note on Accounting for Equity Index & Equity Stock Futures and Options issued by the Chartered Accountants of India.

1.13 Impairment of assets

The carrying amount of assets is reviewed at each balance sheet date for any indication of impairment based on internal external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount and is charged to the Profit & Loss account in the year of identification as an impaired asset. Impairment loss recognised in prior accounting periods is reversed if there is change in the estimate of recoverable amount.

2. Auditors Remuneration

	2014 Amount ₹	2013 Amount ₹
Audit Fee	90,000	90,000
Tax Audit Fee	10,000	10,000
	1,00,000	1,00,000

3. Imported & indigenous materials consumed

	2014		2013	
	%	Amount ₹	%	Amount ₹
<u>Raw Materials</u>				
Imported	98.87	6,77,60,554	99.52	4,32,01,000
Indigenously obtained	1.13	7,72,498	0.48	2,07,273
<u>Stores</u>				
Imported	—	—	—	—
Indigenously obtained	100	33,72,314	100	25,58,731

4. Value of Imports calculated on C. I. F. basis

Raw Material	5,96,37,446	3,15,68,711
Traded Goods	31,90,116	1,34,68,642

5. Expenditure in foreign currency (Accrual Basis)

Foreign Travelling expenses	23,98,948	11,95,648
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6. Earnings in foreign currency (Accrual basis)

F.O.B. value of exports	₹ 1,01,52,080	19,42,785
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7. Raw material consumed

Marble Blocks	6,85,33,052	4,34,08,273
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8. Purchases of stock in trade

Marble Slabs	12,33,48,080	10,04,71,534
Porcelian Tiles	63,64,738	1,95,72,344
Others	93,64,933	27,41,592
	13,90,77,751	12,27,85,470

9. Stock and turnover

	Sales Value	Closing Inventory	Opening Inventory
<u>Manufactured goods</u>			
Marble Slabs	7,31,32,750	5,30,82,058	3,43,52,135
	(4,58,59,123)	(3,43,52,135)	(2,30,40,085)
<u>Traded Goods</u>			
Marble Slabs	14,91,99,532	1,82,47,870	2,33,84,922
	(13,43,98,822)	(2,33,84,922)	(3,98,69,457)
Porcelian Tiles	1,72,22,388	2,36,25,154	2,62,40,677
	(2,89,92,331)	(2,62,40,677)	(2,62,02,460)
Others	1,25,15,505	82,30,028	84,44,230
	(49,88,650)	(84,44,230)	(86,10,448)

* Figures in bracket refers to previous year

10. During the year ended 31st March, 2014, the company paid a final dividend of ₹ 2/- (year ended 31.03.2013 : ₹ 2/-) per equity share. This includes dividend on equity shares held by key managerial persons and their relatives at the beginning of respective financial years. For detail of shares held by key managerial persons and their relatives, refer note 1(b).

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NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2014 NOTE 19 : NOTES TO ACCOUNTS (CONTD.)

11. Earning Per Share

	2014 ₹	2013 ₹
Profit/(Loss) after tax as per Profit & Loss A/c	4,90,88,639	3,51,23,379
Weighted Average number of Equity Shares outstanding	45,00,000	45,00,000
Basic and Diluted Earning per share	10.91	7.81
Face value of shares	10.00	10.00

12. Contingent Liability not provided for

- (i) The Company has given guarantee to the Central Sales-tax authorities to the tune of ₹ 5,000/- only.
- (ii) Pending disposal of appeal by Bombay High Court, which was preferred by the landlord against levy of Municipal taxes at a higher rate by Brihanmumbai Municipal Corporation (BMC), the company has paid ₹ 14,28,640/- against the demand of ₹ 28,85,017/-
- (iii) The assessee has preferred an appeal before the Commissioner of Income Tax (Appeals) against an order passed by Deputy Commissioner of Income Tax, raising demand of ₹ 16,03,540/- on the company for the Assessment Year 2011-2012.

13. Deferred Tax

Major Component of Deferred tax assets and liabilities due to timing difference are as under :

	2014		2013	
	Deferred Tax		Deferred Tax	
	Assets ₹	Liabilities ₹	Assets ₹	Liabilities ₹
Difference in value of assets as per books of account & W.D.V. as per I.T. Act, 1961	—	16,67,614	—	17,81,342
Losses of A.Y.2011-12	5,66,362	—	5,66,362	—
Losses of A.Y.2012-13	33,85,586	—	33,85,586	—
Losses of A.Y.2013-14	22,21,938	—	—	—
Losses of A.Y.2014-15	25,48,274	—	—	—
Previous year adjustment	—	—	—	436
	87,22,160	16,67,614	39,51,948	17,81,778
		(70,54,546)		(21,70,170)

14. In the opinion of the management and to the best of their knowledge, the current assets, loans & advances are approximately of the value stated, if realised in the ordinary course of business, unless otherwise stated.

15. Disclosure as required by Accounting Standard - 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are as follows :

a) Related parties where control exists :

- Madhu Holdings Private Limited
- Eternal Holdings Private Limited
- Elegant Financial Services Limited
- Alka Granites Private Limited
- Everlasting Properties Private Limited
- Peaceful Properties LLP
- Everfresh Properties LLP

b) Key management personnel & their relatives :

- Shri Rajesh Agrawal, Director
- Shri Rakesh Agrawal, Director
- Shri R. S. Agrawal, father of the above directors.
- Mrs. Alka Agrawal, wife of Shri Rajesh Agrawal
- Smt. Divya Agrawal
- Smt. Gita Agrawal
- Rakesh Agrawal (HUF)
- Rajesh Agrawal (HUF)

c) The following transactions were carried out with the related parties in the ordinary course of business :

	2014	2013
i. Rent paid	₹ 68,30,000/-	₹ 74,40,000/-
ii. Remuneration paid to Director	₹ 36,00,000/-	₹ 36,00,000/-

16. The Company is trying to ascertain the enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). Based on the details regarding the status of the suppliers, to the extent obtained, no supplier is covered under the Act.

Elegant Marbles & Grani Industries Ltd.

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2014 NOTE 19 : NOTES TO ACCOUNTS (CONTD.)

17. Figures of the previous year have been regrouped and rearranged to correspond to current year's classification.

18. Figures have been rounded off to the nearest rupee.

Signature to Notes '1' to '19'

In terms of our report of even date

For **RAVI & DEV**
Chartered Accountants
FR. No. 108752W

(DEVENDRA A. MEHTA)
Partner
M. No. 82325
Place : Mumbai
Date : 29th May, 2014

For & on behalf of Board of Directors

Rajesh Agrawal
Chairman & Managing Director

Rakesh Agrawal
Managing Director

Mumbai
Date : 29th May, 2014

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	For the year ended 31st March 2014 ₹	For the year ended 31st March 2013 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax and extra-ordinary items	5,40,73,788	4,34,63,391
<u>Adjustments for:</u>		
Depreciation	13,74,676	15,83,743
Loss on sale of car	—	38,569
Profit on Sale of Shares / Derivative/Commodity/Intra day	(1,05,58,288)	(1,04,49,157)
Interest / Dividend Income	(1,94,69,116)	(1,44,14,102)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :	2,54,21,060	2,02,22,444
<u>Adjustments for:</u>		
Trade receivables	(1,05,95,593)	18,58,398
Other receivables	73,65,535	33,75,965
Inventories	(1,61,27,748)	(65,55,775)
Trade and other payables	(2,78,96,442)	(4,78,13,581)
CASH GENERATED FROM OPERATIONS	(2,18,33,188)	(2,89,12,549)
Direct taxes paid (net of refund)	(1,05,95,594)	(54,23,139)
Net cash from operating activities (A)	(3,24,28,782)	(3,43,35,688)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed assets	(2,00,154)	(7,63,383)
Sale of Fixed assets	—	15,000
Investment in Shares and Mutual funds	(1,94,74,907)	5,96,82,098
Interest received	1,06,53,626	65,21,984
Profit on Sale of Shares /units/ Intra day	1,05,58,288	1,04,49,157
Dividend received	88,15,490	78,92,118
Net cash used in investment activities (B)	1,03,52,343	8,37,96,974
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Dividend paid	(90,00,000)	(90,00,000)
Tax on equity dividend paid	(15,29,550)	(14,60,025)
Net cash used in financing activities (C)	(1,05,29,550)	(1,04,60,025)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(3,26,05,989)	3,90,01,261
Opening balance of Cash & cash equivalents	4,38,07,907	48,06,646
Closing balance of Cash & cash equivalents	1,12,01,918	4,38,07,907

Note 1. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

2. The previous year's figures have been regrouped wherever necessary in order to conform to this year's presentation.

As per our Report of even date attached

For **RAVI & DEV**
Chartered Accountants
FR. No. 108752W

(DEVENDRA A. MEHTA)
Partner
M. No. : 82325

Place : Mumbai
Date : 29th May, 2014

For & on behalf of Board of Directors

Rajesh Agrawal
Chairman & Managing Director

Rakesh Agrawal
Managing Director

Mumbai
29th May, 2014

Elegant Marbles & Grani Industries Ltd.

Regd. Office : E 7/9, RIICO Industrial Area, Abu Road 307 026, Rajasthan.

29TH ANNUAL GENERAL MEETING

ATTENDANCE SLIP

Name and Address of the Shareholder :

Email-Id :

Registered Folio No./DP ID & Client ID :

No. of shares held :

I certify that I am a registered Member/Proxy for the registered Member of the Company. I hereby record my presence at the 29th Annual General Meeting of the Company to be held at E-7/9, RIICO Industrial Area, Abu Road – 307 026, Rajasthan on Wednesday, 24th September, 2014, at 9.00 a.m.

Name of the Member/Proxy

Signature of the Member/Proxy

Note:

1. A member/proxy attending the meeting must complete this Attendance Slip and hand it over at the entrance duly signed.
2. Member intending to appoint a proxy should complete the Proxy Form as below and deposit it at the Company's Registered Office not later than 48 hours before the commencement of the meeting.

Elegant Marbles & Grani Industries Ltd.

Regd. Office : E 7/9, RIICO Industrial Area, Abu Road - 307 026, Rajasthan

29th ANNUAL GENERAL MEETING

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s):

Registered Address :

Email Id :

Folio No./Client ID :

DP ID :

I/We, being a member (s) of _____ shares of the above named Company, hereby appoint:

1. Name: _____ Address: _____
E-mail Id: _____ Signature or failing him/her,

2. Name: _____ Address: _____
E-mail Id: _____ Signature or failing him/her,

3. Name: _____ Address: _____
E-mail Id: _____ Signature or failing him/her,

as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the Registered Office of the Company at E-7/9, RIICO Industrial Area, Abu Road – 307 026, Rajasthan on Wednesday, 24th September, 2014, at 9.00 a.m. and at any adjournment thereof.

TEAR HER

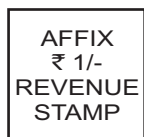


Resolution No.	Resolutions	Original	
		For	Against
	Ordinary Business		
1	Adoption of Audited Statement of Profit and Loss for the year ended 31st March, 2014 and the Balance Sheet as on that date and the Reports of the Board of Directors and Auditors thereon		
2	Declaration for Dividend for the financial year ended 31st March, 2014		
3	Appoint a Director in place of Shri Rakesh Agrawal, who retires by rotation and being eligible, offers himself for re-appointment		
4	Appoint M/s. Ravi & Dev, Chartered Accountants, as Statutory Auditors of the Company		
	Special Business		
5	Appoint Shri Raj Kumar Mittal as an Independent Director of the Company		
6	Appoint Shri Ram Chawla as an Independent Director of the Company		
7	Appoint Shri Radhey Shyam Agarwal as an Independent Director of the Company		
8	Appoint Ms Yogita Agrawal as Non Executive Director of the Company		
9	Special Resolution for Borrowing limit under Section 180(1)(c) of the Companies Act, 2013		
10	Special Resolution for Loans & Investments under Section 186 of the Companies Act, 2013		

Signed this _____ day of _____ 2014

Signature of Member

Signature of Proxy



Signature

NOTE: A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member. This instrument appointing a Proxy and the Power of Attorney if any, under which it is signed should be deposited at the Registered Office of the Company not less than forty eight hours before the time for holding the aforesaid Meeting.



TEAR HERE





 **Elegant**
Marbles & Grani Industries Ltd

REGISTERED OFFICE

E 7/9 Riico Industrial Area,

Abu Road 307026,

District Sirohi, Rajasthan

Mail: elegantmarbles@gmail.com

Web: www.elegantmarbles.com