

CORPORATE GOVERNANCE REPORT 2007-2008

The Directors present the Company's Report on Corporate Governance.

THE COMPANY'S GOVERNANCE PHILOSOPHY

Good corporate governance is a structure and relationship which determine corporate direction and performance by sound management, transparency, accountability and fairness. The corporate governance framework should therefore encourage the efficient use of resources and equally, require accountability for the stewardship of those resources. The aim is to align as nearly as possible the diverse interests of individuals, corporations and society.

Stone India therefore believes that the key to achieve sustainable long-term growth of the company as well as protecting the most important parties: shareholders, directors and management is sound corporate governance. The concept of corporate governance is entering a phase of global convergence. The driver behind this is the recognition that companies need to attract and protect all stakeholders, especially investors – both domestic and foreign. Global capital seeks its own equilibrium and naturally flows to where it is best protected and bypasses where protection is limited or non-existent. Stone India acknowledges that the company stands to gain by adopting systems that bolster investor trust through transparency, accountability and fairness.

The tide of regulation has risen to a high watermark and while there is compelling evidence of financial benefits to companies which adopt good governance practices, it has often been felt that the ethos of corporate governance still needs to sink in. Corporate irregularities continue to plague investors as regulators relentlessly strive to cleanse the system. Financial scandals often prompt an overhaul of regulation. But the efficacy of regulation can get negated when compliance becomes a box-ticking exercise with prohibitive costs. Again, there is no single model of good corporate governance. Principles, values and ethics cannot be typecast into a universal one-size-fits-all framework. Towards this end the company has a well laid out documents with respect to “**Code of Business Conduct & Ethics**” and “**Whistle Blower Policy**”. All employees abide by them in letter & spirit.

Stone India within its web of relationships with its borrowers, shareholders and other stakeholders has always maintained its fundamental principles of corporate governance – that of integrity, transparency and fairness. For Stone India, corporate governance is a continuous journey, seeking to provide an enabling environment to harmonise the goals of maximising shareholder value and maintaining a customer centric focus.

Stone India maintains that efforts to institutionalise corporate governance practices cannot solely rest upon adherence to a regulatory framework. Stone India's corporate governance compass has been its newly adopted business practices, its values and personal beliefs, reflected in the actions of each of its employees.

Stone India believes that while an effective policy on Corporate Governance must provide appropriate empowerment to the executive management, it must also create a mechanism of internal controls to ensure that the powers vested in the executive management are properly used with appropriate consideration and responsibility so as to fulfill the objectives of the Company.

The Board of Directors fully support and endorse corporate governance practices as per the provisions of the listing agreements as applicable from time to time

THE GOVERNANCE STRUCTURE

The Corporate Governance structure in Stone India is based on an effective independent Board, the separation of the Board's supervisory role from the executive management and the constitution of Board Committees, comprising a majority of independent Directors and chaired by an independent Director to oversee critical areas.

BOARD OF DIRECTORS

In terms of the Company's Corporate Governance Policy, all policy, statutory and other significant and material information are placed before the Board.

Composition of the Board

Stone India has a broad-based Board of Directors constituted in compliance with the terms of the listing agreement with stock exchanges and in accordance with best practices in corporate governance. The Board of Directors of your company comprises Executive and Non-Executive Directors, the latter includes independent professionals who are also independent Directors.

In accordance with the Governance Policy, Non-Executive Directors are Promoters and eminent professionals with experience in business / finance / management. Directors are appointed / re-appointed with the approval of the Shareholders for a period of three to five years or for a shorter duration as the Board deems fit from time to time. All Directors are liable to retire by rotation except the Chairman so appointed shall not be liable to retirement by rotation so long as the limits prescribe under Section 255(1) of the Act are complied with. One-third of the Directors retires by rotation every year and are eligible for re-election. In terms of the Articles of Association of the Company, the strength of the Board shall not be less than three nor more than twelve. The present strength of the Board of Directors is seven, of which one is an Executive Director.

The following is the composition of the Board as on 31st March 2008:

Category	No. of Directors	Percentage of total no. of Directors
Non-Executive Directors & Promoter	1	14.3%
Non-Executive Independent Directors	4	57.1%
Executive Directors	2	28.6%
Total	7	100.0%

The Board is headed by the Non-Executive Chairman, Mr. G. P. Goenka, and comprises six other Directors. Out of whom one is the Managing Director & CEO, one is the Whole time Director and rest are Non-Executive Directors. The Directors are eminently qualified and have rich experience in business, banking & finance and corporate management. More than half of Board of Directors is "independent". The independent Directors do not have any pecuniary relationship or transaction with the Company, promoters or management, which may affect their judgments in any manner. The day-to day management of your company vest with the Managing Director subject to the superintendence, control and directions of Board of Directors

The policy formulation, evaluation of performance and the control function vest with the Board, while the Board Committee oversees operational issues. The Board meets at least once in a quarter to consider *inter alia* the quarterly performance of your company and financial results. Directors attending the meeting actively participate in the deliberations at these meetings

The names of the Board members, their attendance at Board meetings and General Body meetings held during the financial year under review and the number of other Directorships and Board Committee memberships held by them at March 31, 2008 are given below:

Name of the Board Member	Category ¹	Board Meetings attended out of 4 Meetings held during the year	Attendance at the last AGM held on 27 th February 2008	Number of other Directorships ²	Number of other committee memberships ³
G. P. Goenka	C & NED& P	4	Present	8	–
S. Ray	NED& ID	4	Present	7	6 (2)
I. Sen	NED& ID	3	Present	1	2
Srivardhan Goenka	ED& P	4	Present	8	2
A. Agarwal	NED&ID	-	Present	2	–
S. Gupta	NED& ID	3	Present	11	8(4)
A. Mondal	MD	4	Present	2	–

¹ C: Chairman; MD: Managing Director; NED: Non-Executive Director P: Promoter; ID: Independent Director, ED: Executive Director.

² Excludes alternate directorship and committees other than Audit Committee, Shareholders'/ Investors' Grievance Committee, Remuneration Committee and other than public Limited & foreign Companies.

³ Figures in brackets indicate Committee Chairmanships.

Details of Board Meetings held during the financial year

During the year 2007-08, four Board Meetings were held on 27th April 2007, 20th July 2007, 29th October 2007 and 29th January 2008.

COMMITTEES OF THE BOARD

Presently, there are three Committees of the Board – the Audit Committee, the Remuneration Committee and the Shareholders'/ Investors' Grievance Committee.

The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the Committee Chairman. Signed minutes of Board Committee meetings are placed at the Board for information. The respective role and

composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below:

I. Audit Committee

The Audit Committee provides general direction and oversees the audit and risk management function in the Company. It carries out periodic review of accounting policies and internal control systems, reviews the quality of internal and management audit reports, ensures the reliability of financial and other management information and adequacy of disclosures; it also acts as an interface between the statutory and internal auditors and the Board of Directors.

The terms of reference of the Audit Committee are in line with Clause 49 II (C) and (D) of the Securities Board & Exchange Board of India prescribed Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956.

The terms of reference of Audit Committee include the following:

- Overseeing company's financial reporting process and the disclosure of its financial information.
- Recommending appointment or removal of the external auditors, fixing of audit fees and approving payments for any services.
- Reviewing with the management the quarterly and annual financial statements with primary focus on:
 - a) Matters to be included in the Directors' Responsibility statement comprised in the Board Report in terms of Section 217(2AA) of the Companies Act, 1956.
 - b) Accounting policies and practices.
 - c) Compliances with accounting standards
 - d) Accounting- based on exercise of judgment by Management.
 - e) Qualifications in the draft audit report.
 - f) Compliance with listing and other legal requirements concerning financial statements
 - g) Significant adjustments arising out of audit.
 - h) Reviewing utilization of Funds raised through issue of Warrants/Shares/Debentures
 - i) The going concern assumptions
 - j) Related party transactions
- Reviewing with the management, external and internal auditors the adequacy and compliance of internal control systems.
- Reviewing company's financial and risk management policies.
- Reviewing the internal audit function and reports and major findings of the internal Auditors.
- Pre-audit and post-audit discussion with the statutory auditors to ascertain any area of concern.

The Audit Committee comprises of three Non-Executive Directors, all of them being Independent Directors. All the members of the Committee are financially literate and have accounting and financial management expertise. The Managing Director, the Chief Financial Officer and the representatives of the Internal Auditors and the Statutory Auditors are Permanent Invitees to the Audit Committee.

During the financial year ended 31st March 2008, four meetings were held. The dates of such meetings, composition of the Audit Committee and the attendance of the members are furnished below:-

Serial No.	Date of Committee Meeting	Attendance record of the Members		
		S. Ray	I. Sen	S. Gupta
1.	27 th April 2007	Attended	Absent	Attended
2.	20 th July 2007	Attended	Attended	Attended
3.	29 th October 2007	Attended	Attended	Absent
4.	29 th January 2008	Attended	Attended	Attended
Number of meetings held during the member's tenure		4	4	4
Number of meetings attended by the member		4	3	3

S. Ray, Chairman of the Audit Committee chaired all the meetings.

II. Remuneration Committee

The Remuneration Committee comprises four Non-Executive Directors, three of whom are Independent Directors. The members are I. Sen, Chairman of the Committee, G.P. Goenka, S. Ray, A. Agarwal , Members.

The terms of reference of remuneration committee in brief consists of the following:

To determine on behalf of the Board of Directors and on behalf of the shareholders, the Company's policies on specific remuneration packages for Executive Directors including pension rights and any compensation payment.

The Committee approves:

- All elements of remuneration package of all the Directors i.e. salary, benefits, bonuses, stock options, pension, etc.
- Details of fixed component and performance linked incentives, along with the performance criteria.
- Service contracts, notice period, severance fees.
- Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.

During the financial year 2007-08, two Remuneration Committee Meeting were held on 29th October and 29th January 2008.

Payment of remuneration to the Managing Director and whole time Director are governed by statutory guidelines and the Company's Service Agreements with him, the terms and conditions of which were approved by the Remuneration Committee (wherever applicable), the Board and the shareholders. The remuneration structure mainly comprises salary, commission, performance bonus, perquisites and allowances. The Non-Executive Directors do not draw any remuneration from your Company other than sitting fees for the Meetings of the Board and its Committees. The fees are determined by the Board from time to time within the statutory guidelines.

A. Details of remuneration of the Managing Director & CEO and Whole time Director for the financial year ended 31st March 2008 is as under:

(Rs. in Lacs)

Director	Salary	Perquisites	Total
A. Mondal, Managing Director & CEO	42.50	4.27	46.77
Shrivardhan Goenka, Whole time Director	27.00	-	27.00

(There were no stock options during the financial year ended 31st March 2008)

B. Details of sitting fees paid during the year 2007-08 to the existing Non-Executive Directors as on 31st March 2008 are given below:

Director	Sitting Fees		
	Board Meetings	Committee Meetings	Total
G.P. Goenka	20,000/-	-	20,000/-
S. Ray	20,000/-	1,05,000/-	1,25,000/-
I. Sen	15,000/-	25,000/-	40,000/-
A. Agarwal	-	-	-
S Gupta	15,000/-	15,000/-	30,000/-

III. Shareholders' / Investors' Grievance Committee

The Shareholders' / Investors' Grievance Committee comprises S. Ray (Chairman), I. Sen and A. Mondal. The Committee meets almost every fortnight. The Secretary acts as Secretary to the Committee.

Brief description of terms of reference of the Shareholders' / Investors' Grievance Committee:

The Committee

- (i) approves and monitors transfers, transmission, rematerialisation, sub-division and consolidation of securities in physical form and issue of new and duplicate Share Certificates by your Company, and
- (ii) looks into various issues relating to shareholders/investors, including redressal of their complaints regarding transfer of shares in physical form, non-receipt of Balance Sheets, Dividends, etc.

Name and designation of Compliance Officer : Mr. P Sircar Vice President, CFO & Secy.

No. of Shareholders complaints received during the year 2007/08	5
No. of complaints resolved to the satisfaction of Shareholders as on 31 st March 2008	5
No. of pending share transfers as on 31 st March 2008	Nil

GENERAL BODY MEETINGS

Location and time where last three AGMs were held:

AGM	Year	Venue	Date	Time	Special Resolution	Postal Ballot
75 th	2004-05	Kalakunj Kalamandir 48, Shakespeare Sarani, Kolkata 700 017	17/ 08 / 05	10.30 A.M.	Yes	No
76 th	2005-06		30/ 08 / 06	10.30 A.M.	Yes	No
77 th	2006-07		27/02/08	10.30 AM	Yes	NO

No Extra-ordinary General Meeting was held during the financial year.

No special resolution was passed last year through postal ballot.

At present your Company does not have any resolution to be decided by the Members by postal ballot.

No person has been appointed for conducting postal ballot exercise.

DISCLOSURES

- (a) **Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large:**

Save and except what has been disclosed under Item No. (xviii) of Schedule 20 of the Notes to the Accounts, forming part of the Accounts of your Company for the year ended 31st March 2007, there was no materially significant related party transaction, which may have potential conflict with the interests of your Company at large.

- (b) **Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

Compliance

Your Company has complied with all the requirements including the provisions of Clause 49 of the Listing Agreements with Stock Exchanges as well as regulations and guidelines of SEBI. Consequently no penalties were imposed or strictures passed against the company by SEBI, stock Exchanges or any other Regulatory Authorities during last three years.

- (c) **Whistleblower Policy**

SCOPE:

This policy applies to all Stone India employees, including part time, temporary and contract employees.

PURPOSE:

Stone India Limited is committed to the highest possible standards of ethical, moral and legal business conduct. In line with this commitment, this policy aims to provide an avenue for employees to raise concerns and reassurance that they will be protected from reprisals or victimization for whistleblowing in good faith.

POLICY:

The whistleblower policy is intended to cover serious concerns that could have a large impact on Stone India Limited, such as actions that:

- May lead to incorrect financial reporting;
 - Are unlawful;
 - Are not in line with company policy, including the Code of Conduct;
 - Otherwise amount to serious improper conduct.

SAFEGUARDS:**Harassment or Victimization**

Harassment or victimization of the complainant will not be tolerated.

Confidentiality

Every effort will be made to protect the complainant's identity.

Anonymous Allegations

The policy encourages employees to put their names to allegations because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified. Concerns expressed anonymously will be investigated, but consideration will be given to:

- The seriousness of the issue raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

Malicious Allegations

Malicious allegations may result in disciplinary action.

PROCEDURE:**Process For Raising A Concern****Reporting**

The whistleblowing procedure is intended to be used for serious and sensitive issues.

Serious concerns relating to financial reporting, unethical or illegal conduct, should be reported in either of the following ways:

Directly to Mr. A. Mondal, Managing Director & CEO at (033)2401 4661-668 (8 Lines) or by E-Mail at mondalmit@stoneindia.co.in

Mailing address alternative for written documents:

Stone India Limited
16, Taratalla Road,
Kolkata 700088.

Employment-related concerns should continue to be reported through your normal channels such as your supervisor or the Manager – H.R. & Administration

Timing

The earlier a concern is expressed, the easier it is to take action.

Evidence

Although the employee is not expected to prove the truth of an allegation, the employee needs to demonstrate to the person contacted that there are sufficient grounds for concern.

How The Complaint Will Be Handled

The action taken will depend on the nature of the concern. The Audit Committee of the Board of Directors of Stone India Limited receives a report on each complaint and a follow-up report on actions taken.

Initial Inquiries

Initial inquiries will be made to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved by agreed action without the need for investigation.

Report to Complainant

The complainants will be given the opportunity to receive follow-up on their concern in two weeks:

- Acknowledging that the concern was received;
- Indicating how the matter will be dealt with;
- Giving an estimate of the time that it will take for a final response;
- Telling them whether initial inquiries have been made;
- Telling them whether further investigations will follow, and if not, why not.

Further Information

The amount of contact between the complainant and the body investigating the concern will depend on the nature of the issue and the clarity of information provided. Further information may be sought from the complainant.

Information

Subject to legal constraints the complainant will receive information about the outcome of any investigations.

Stone India Limited reserves the right to modify or amend this policy at any time as it may deem necessary.

(d) **LIST OF MANDATORY ITEMS OF CLAUSE 49 OF THE LISTING AGREEMENT**

Sl. No.	Compliances	Remarks
1.	A brief statement on Company's Philosophy on code of governance	Complied
2.	Stipulations regarding Board of Directors	Complied
3.	Stipulations regarding Audit Committee	Complied
4.	Stipulations regarding Remuneration Committee	Complied
5.	Stipulations regarding Shareholders Committee	Complied
6.	Stipulations regarding General Body Meetings	Complied
7.	Stipulations regarding Disclosures	Complied
8.	Stipulations regarding means of Communication	Complied
9.	Stipulations regarding General Shareholders Information	Complied

LIST OF NON-MANDATORY ITEMS OF CLAUSE 49 OF THE LISTING AGREEMENT

Sl. No.	Compliances	Remarks
1.	Stipulations regarding the Board	Will be adopted
2.	Stipulations regarding Remuneration Committee	Adopted
3.	Stipulations regarding Shareholder Rights	Adopted
4.	Stipulations regarding Audit qualifications	Being adopted
5.	Training of Board Members	Partly complete
6.	Mechanism for evaluating non-executive Board Members	Being adopted
7.	Whistle Blower Policy	Adopted

- (e) No equity share and convertible Instrument were held by non-executive directors as on 31st March 2008.

MEANS OF COMMUNICATION

- (a) A Notice was sent to the Shareholders for Court convened Shareholders Meeting which was held on 19th November 2007 for approval of the Scheme of Arrangement between the Company and Skylark Rubber Products Limited, wholly owned subsidiary of the Company.
- (b) Quarterly Results including the Half-yearly Results and the Annual Audited Results were published in The Business Standard, Kolkata, The Economic Times, Kolkata, The Times of India, Kolkata, Dainik Statesman, Kolkata and Aajkal, Kolkata.
- (c) The Company has a Website, the address of which is www.stoneindia.co.in . The site gives various useful information relating to corporate, product etc. A separate section has been provided dedicated to Investors and Shareholders.
- (d) During the year your Company displayed official news releases from time to time. From time to time company has made formal presentations to Bankers, institutional shareholders and analysts.
- (e) The Management Discussion and Analysis forms an integral part of this Annual Report to the shareholders of the Company.

GENERAL SHAREHOLDER INFORMATION

(a) **Annual General Meeting:**

- Date and Time - 29th August 2008 at 11.30 A.M.
- Venue - "Kala Kunj" (Basement) Hall, Kalamandir
48, Shakespeare Sarani,
Kolkata – 700 017

(b) **Financial Calendar (2008-09):**

The Financial Year of your Company is April to March. Publication of Results will be as follows (tentative):

<u>Period</u>	<u>Approval by the Audit Committee & Board of Directors</u>
First Quarter ending June 30, 2008	(Unaudited) Week No 28 of 2008
Half-Year ending September 30, 2008	(Unaudited) Week No 42 of 2008
Third Quarter ending December 31, 2008	(Unaudited) Week No 2 of 2009
Year ending March 31, 2009	(Audited) Week No 18 of 2009
AGM for the year ending March 31, 2008	Week No 32 of 2008

(c) **Book Closure date:**

The dates of book closure are from 25th August 2008 to 29th August 2008 inclusive of both days

(d) **Dividend Payment date:**

The Dividend, if declared, shall be paid/credited on or after 30th August 2008

(e) **Listing:**

Your Company's Shares are listed on Calcutta Stock Exchange and The Stock Exchange, Mumbai. The Stock codes assigned to the Company's shares at the above Stock Exchanges are as follows:

Sl. No.	Stock Exchange	Stock Code
1.	The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Kolkata 700 001	29963
2.	Bombay Stock Exchange Limited, New Trading Ring, Rotunda Bldg., 1 st Floor P.J. Towers, Dalal Street. Fort, Mumbai 400 001	522085

Note : Payment of Annual Listing Fees to all the above said Stock Exchanges are up-to-date

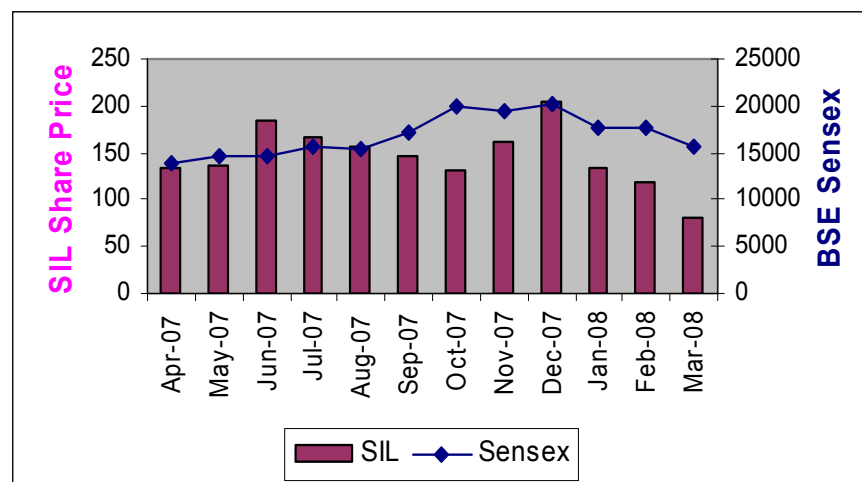
(f) **Stock Price Data**

The table herein below gives the monthly high and low prices of the company's shares traded at the Stock Exchanges both at Calcutta and Mumbai for the year ended 31st March 2008.

Month	Mumbai Stock Exchange		Calcutta Stock Exchange	
	High	Low	High	Low
April 2007	165.00	104.30	N.T.	N.T.
May 2007	155.80	117.50	N.T.	N.T.
June 2007	197.80	132.60	N.T.	N.T.
July 2007	207.90	166.50	N.T.	N.T.
August 2007	171.65	136.30	N.T.	N.T.
September 2007	172.80	137.70	N.T.	N.T.
October 2007	154.70	112.20	N.T.	N.T.
November 2007	117.50	126.60	N.T.	N.T.
December 2007	210.50	152.15	N.T.	N.T.
January 2008	248.00	129.25	N.T.	N.T.
February 2008	140.00	110.20	N.T.	N.T.
March 2008	118.00	70.00	N.T.	N.T.

N.T. : No Transaction

(g) The chart herein below shows the comparison of your company's share price movement vis-à-vis the movement of the B.S.E. Sensex.



(h) **Share Transfer System:**

The share transfers in physical form are at present processed and the Share Certificates are returned, duly transferred in favour of transferees, subject to all the documents being in order. Share Transfers under objection are returned immediately. The Shareholders'/Investors' Grievance Committee of the Board of Directors meets almost every fortnight to consider the transfer proposals in physical form.

(i) **Distribution of Shareholders Holdings**

The tables herein below give the distribution pattern of shareholding of the Company as on 31st March 2008

I. **Distribution of Shareholding Pattern by ownership:**

	Category	No. of Shares held	Percentage of Shareholding
A.	Promoter's holding		
1.	Promoters'		
	- Indian Promoters	27,35,054	36.01
	- Foreign Promoters	-	-
2.	Persons acting in concert	80,000	1.05
	Sub-Total	28,15,054	37.06
B	Non – Promoters Holding		
3.	Institutional Investors		
a.	Mutual Funds and UTI	7,06,644	9.30
b.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Government Institutions)	2,03,665	2.68
c.	Foreign Institutional Investors	2,17,000	2.86
	Sub-Total	11,27,309	14.84
4.	Others		
a.	Private Corporate Bodies	7,16,517	9.43
b.	Indian Public	27,79,206	36.59
c.	NRIs/OCBs	98,900	1.30
d.	Any other (specify):		
	i) Clearing Members/Corporate	59,513	0.78
	Sub-Total	36,54,136	48.10
	GRAND TOTAL	75,96,499	100.00

II. Distribution of shareholding by number of shares held:

No. of Shares held	Shareholders		Shares	
	Number	%	Number	%
Upto 500	9,772	92.92	12,01,368	15.81
501 to 1000	410	3.90	3,19,034	4.20
1001 to 2000	158	1.50	2,50,433	3.30
2001 to 3000	41	0.39	1,05,646	1.39
3001 to 4000	27	0.26	97,861	1.29
4001 to 5000	30	0.28	1,43,620	1.89
5001 to 10000	43	0.39	3,59,527	4.73
10001 and above	38	0.36	51,19,010	67.39
Total	10,519	100.00	75,96,499	100.00

j) Auditor's Certificate on Corporate Governance

As required under clause 49 of the Listing Agreement, the Auditor's Certificate on compliance of the Corporate Governance norms is attached

k) Dematerialisation of Shares

Your company's Shares are under transfer-cum-demat option. The Shareholders have the option to hold the Company's Shares in demat form through the National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL)

At present 91.29 of the Company's Shares are held in electronic form and the Company's Shares can only be traded in compulsory demat segment in the Stock Exchanges

l) Address for correspondence with the Company

The Company attended to all Investor's grievances/queries/information requests and had replied to all letters received from the Shareholders within a week of receipt thereof.

All the correspondences may please be addressed to the Registrar and Share Transfer Agent, C.B.Management Services (Pvt) Limited.

In case any Shareholder is not satisfied with the response or do not get any response or do not get any response within reasonable period from the Registrar and Share Transfer Agent, they shall approach to Financial Controller and Company Secretary and Compliance Officer at the registered office of the Company.

Registered Office:

STONE INDIA LIMITED
 16, Taratalla Road
 Kolkata 700 088
 Tel No. (033) 2401 4661 – 4668 (8 Lines)
 Fax.No. (033) 2401 4886
 Email No. info@stoneindia.co.in

Address of Registrar and Share Transfer Agent

C.B.Management Services (P) Limited
Unit – Stone India Limited
P-22, Bondel Road
Kolkata – 700 019
Tel No. (033) 2280 6692- 94/2486/2937
2282 3236-38/3643
Fax No. (033) 2287 0263
Email No. cbmsl1@cal2.vsnl.net.in

The Shareholders can also lodge their complaint directly at the website of the company at www.stoneindia.co.in. There is an on line Investor Complaint form under Investor Relation Menu.

- (m) Along with this Annual Report we have enclosed a Shareholder's Response Form. You may kindly complete the same & return it to us. Your suggestion will help us to serve you better in future. Alternatively you can also complete the on-line form available in our website under Investor Relations Menu.

- (n) **Demat ISIN Number in NSDL & CDSL:**

INE290C01015

- (o) **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on Equity:**

Not applicable

- (p) **Plant Location:**

STONE INDIA LIMITED
16, Taratalla Road
Kolkata 700 088

STONE INDIA LIMITED
182, Guru Majra
Baddi Nalagarh Road
Baddi, Tehsil Nalagarh
District Solan, Himachal Pradesh

For and on behalf of the Board

16, Taratalla Road,
Kolkata 700 088.

25th June 2008

G. P. GOENKA
Chairman

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

In terms of the requirements of Revised Clause 49 of the Listing Agreements with Stock Exchanges, all the Board Members and senior management personnel have confirmed compliance with Code of Conduct and Ethics for the Financial year ended on 31st March 2006

16, Taratalla Road,
Kolkata 700 088.
25th June 2008

For Stone India Limited

A Mondal
Managing Director & CEO