

34th Annual Report

2003-2004



The Refractories to Associate With

ASSOCIATED CERAMICS LIMITED

Board of Directors Arun Agarwal - Managing Director
Sharad Agarwal - Director
Binod Suhasaria - Director

Registered Office 17, Ganesh Chandra Avenue
4th Floor, Kolkata - 700 013

**Corporate Office
& Works** P.O. Chirkunda
Dist. Dhanbad (Jharkhand)
PIN - 828 202

Bankers Union Bank of India
Asansol

The Vysya Bank Ltd.
Kolkata

Auditors M/s. A. Pandey & Associates
Kolkata

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The Refractories to Associate With

ASSOCIATED CERAMICS LIMITED

NOTICE OF THE THIRTY FOURTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 34th Annual General Meeting of **Associated Ceramics Limited** will be held at its registered office 17, G.C. Avenue, 4th Floor, Kolkata - 700 013 on Thursday, the 30th September, 2004 at 11.30 a.m. to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March, 2004 and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Binod Suhasaria who retires by rotation and eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration. In this connection, to consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution :

"RESOLVED that M/s. A. Pandey & Associates, Chartered Accountants, who retire after conclusion of this Annual General Meeting and offer themselves for reappointment be and are hereby appointed as the Auditors of the Company to hold such office till the conclusion of the next Annual General Meeting at a remuneration to be decided later on."

Dated : 20th July, 2004

Registered Office :

17, G.C. Avenue, 4th Floor,
Kolkata - 700 013

By order of the Board

Sd/-

Arun Agarwal
Managing Director

NOTES

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the company. Proxies duly stamped and signed must be deposited with the Company's Registered Office at 17, G.C. Avenue, 4th Floor, Kolkata - 700 013 not less than 48 hours before the time fixed for the meeting.
2. As a measure of economy copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report at the Meeting.
3. Members are requested to notify immediately any change in their address to the Company's Registered Office quoting their folio Nos.
4. Shareholders may please note that no gifts are proposed to be distributed at the meeting.

ASSOCIATED CERAMICS LIMITED

DIRECTORS' REPORT

To
The Shareholders

Your Directors have pleasure in submitting the Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2004

FINANCIAL RESULTS :

	2003-2004 (Rs. in Lacs)	2002-2003 (Rs. in Lacs)
Profit before Interest, Depreciation & Tax	54.34	53.85
Less : Interest	11.74	23.57
Profit before Depreciation & Tax	42.60	30.28
Less : Depreciation	21.23	22.92
Profit Before Tax	21.37	7.36
Less : Provision for Taxation	8.57	4.32
Less : Deferred Tax Adj.	(0.90)	(1.63)
Less : Income Tax Adjustment for earlier years	6.27	—
Profit after Tax	7.43	4.67
Add : Balance Brought forward from Prev. year	64.52	59.85
Balance carried to Balance Sheet	71.95	64.52

PERFORMANCE OF THE COMPANY

During the Financial Year 2003-04, the company has been able to increase its turnover and profitability. It has made profit of Rs. 7.43 lacs during the year in comparison to profit of Rs. 4.67 Lacs in the previous financial year. Your directors are implementing various cost reduction programmes and the benefit of those are reflected in the financial statements and they will result more profitability in the coming years.

DIVIDEND

In view of nominal profit and requirement of working capital, your directors do not recommend any dividend for the year.

DIRECTORS

Mr. Binod Suhasaria, Director of the Company retire by rotation during the ensuing Annual General Meeting, being eligible offer himself for reappointment. None of the Directors of the company is disqualified from being appointed as the director of the company.

AUDITOR'S REPORT

As there is no qualification by the auditors of the company on the accounts audited by them no comments by the board is called for.

AUDITORS

M/s. A. Pandey & Associates, the auditors of your company, retire at the ensuing Annual General Meeting and we recommend their reappointment. They are eligible and have offered themselves for re-appointment.

PERSONNEL

Your company does not have any personnel drawing remuneration of Rs. 24,00,000/- for the year or Rs. 2,00,000/- or more per month for the part of the year. Hence no comment is made as required U/s. 217(2A) of the Companies Act.

ASSOCIATED CERAMICS LIMITED

DIRECTORS' REPORT Contd.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO :

CONSERVATION OF ENERGY

Separate statement annexed.

TECHNOLOGY ABSORPTION

Your company has not entered into any technology collaboration. Hence no comment is called for. Its technology is totally indigenous.

RESEARCH AND DEVELOPMENT

The company does not carry out any research and development activity.

FOREIGN EXCHANGE EARNING AND OUTGO

	Current Year	Prev. Year
Foreign Exchange Earning (Rs. in Lacs)	30.01	Nil
Foreign Exchange Outgo (Rs. in Lacs)	191.48	150.60

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement.

- that in the preparation of the annual accounts for the financial year ended on 31st March, 2004, the applicable Accounting Standards has been followed.
- That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were 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 the year under review.
- That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguard the assets of the company and for preventing and detecting fraud and other irregularities.
- That the directors had prepared the accounts for the financial year ended on 31st March, 2004 on a going concern basis.

APPRECIATION

We wish to place on record our appreciation of the devoted services of the sincere workers, staff and executives of the Company which have largely contributed to its efficient management. Your directors also wish to place on record their appreciation for the valuable co-operation and support received from all its valued customers, suppliers, bankers etc. who contributed to the growth of the Company.

We would like to express thanks to our Shareholders for their confidence and understanding.

By order of the Board

Sd/-

Arun Agarwal

Managing Director

Place : Kolkata
Date : 20.07.2004

ASSOCIATED CERAMICS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Particulars Required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Sl. No.	Power & Fuel Consumption	Current Year	Previous Year
01.	ELECTRICITY :		
	Purchased :-		
	Unit (Kwh)	914833	891894
	Total Amount (Rs. in Lacs)	39.75	38.86
	Rate / Unit (Rs.)	4.35	4.35
	Own Generation (Through Diesel) :-		
	Unit (Kwh)	49087	31953
	Unit per litre of Diesel	21.14	20.00
	Cost per Unit (Rs.)	6.55	5.86
02.	COAL :		
	Quantity in M.T.	3652	3637
	Total Cost (Rs.)	85.36	82.49
	Average Rate per M.T. (Rs.)	2274	2268
03.	FURNACE OIL :		
	Quantity in K/Ltr.	Nil	72
	Total Cost (Rs. in Lacs)	Nil	12.16
	Average Rate per M.T. (Rs.)	Nil	16891

By order of the Board

Sd/-

Arun Agarwal
Managing Director

Place : Kolkata
Date : 20.07.2004

ASSOCIATED CERAMICS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

The detailed Report on Corporate Governance as per the format prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is set out below.

A) Mandatory Requirements :

1) Company's philosophy on code of Corporate Governance

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity. The Company has implemented mandatory requirements of the code of Governance as mentioned in clause 49 of the Listing Agreement.

2) Board of Directors

a) The Board comprises of one Wholetime Director and two other non-executive Directors of whom one is an independent director.

The composition of the Board and other details relating to Directors are given below :

Name of the Director	Designation	Category of Directorship	No. of other Directorship	No. of other Committee Memberships
Mr. Arun Agarwal	Wholetime Director	Executive	10	2
Mr. Sharad Agarwal	Director	Non-Executive	1	1
Mr. Binod Suhasaria	Director	Non-Executive	—	1

b) Appointment / Reappointment of Directors

Mr. Binod Suhasaria who retires by rotation during the ensuing Annual General Meeting and is eligible for reappointment.

He has joined the Company in the year 1988. He has over 10 years of experience in the area of Management. His association with the Company would contribute a lot in forming and finalisation of Business and Corporate policies of the Company. He is also Member of the Shareholder / Investor Grievance Committee & Audit Committee of your Company as Chairman.

3) Audit Committee

The Board of Directors have constituted the Audit Committee. The Composition procedure, role / function of the Audit Committee comply in part with the requirements of the Listing Agreement. The brief terms of reference of Audit Committee includes the following :

Overseeing the Company's financial report process and disclosure of its financial informations.

Review of halfyearly and annual financial results before submission to the Board.

Disclosure with Statutory and Internal auditors about the nature and scope of audit and their observations.

ASSOCIATED CERAMICS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Investigate any matter referred to by the Board.

The Composition of the Audit Committee :

Members	Category
Mr. Binod Suhasaria	Independent
Mr. Sharad Agarwal	Independent

During the year under review no meeting of the Audit Committee was held.

4) Shareholders' / Investors' Grievances Committee

The Board of Directors have constituted Shareholders / Investors Grievance Committee to look into the specific Complaints received from the Shareholders of the Company. The Composition of the said Committee is as follows :-

Members	Category
Mr. Arun Agarwal	Chairperson
Mr. Sharad Agarwal	Independent

During the year under review no meeting of the Shareholders / Investors Grievances Committee was held.

5) Board Procedure

Composition :

At present the strength of the Board is 3 Directors. The Composition of the Board of Directors and their attendance at the Board Meeting and at the last Annual General Meeting is as follows:

Name of the Director	Nature of Directorship	No. of Board meeting attended	Attendance at the last AGM
Mr. Arun Agarwal	Executive Chairperson	14	Yes
Mr. Sharad Agarwal	Non-Executive Director	14	Yes
Mr. Binod Suhasaria	Non-Executive Director	14	Yes

During the financial year ending 31.03.2004, 14 (Fourteen) meetings of the Board of Directors on 30.04.2003, 07.07.2003, 28.07.2003, 19.08.2003, 25.08.2003, 30.09.2003, 30.10.2003, 11.11.2003, 25.11.2003, 08.12.2003, 22.12.2003, 02.01.2004, 30.01.2004 and 24.03.2004 were held.

Responsibilities :

At the Board meetings of the Company the directors are being provided information stipulated in clause 49 of the Listing Agreement. The Board has a formal schedule of matters reserved for its consideration which includes reviewing performance. The Company has designated the required information system for the purpose.

Role of Independent Directors :

The independent Directors play an important role in deliberations in the Board Meetings and being to the Company, their wider experience in the fields of Accountancy, Finance, Management, etc.

ASSOCIATED CERAMICS LIMITED

Board Meetings :

The meeting of the Board of Directors are being held at regular intervals of not more than four months at the Company's Registered Office at Kolkata and are generally scheduled well in advance and the provisions under the Companies Act, 1956 and those under clause 49 of the Listing Agreement are followed in this regard. The Board meets at least once in a quarter to review quarterly performance and financial results. The agenda of the meeting is prepared and circulated to the directors in advance. The Members of the Board have access to all information pertaining to the Company and are free to recommend inclusion of any matter in the agenda for the discussions. Senior Executives / Directors of the Group Company are invited to attend the Board meeting for discussion and providing inputs and their views, as and when required.

6) General Body Meetings

The previous three Annual General Meetings of the Company held on the dates, at time and venue given below :

Financial Year	Date	Time	Venue
2000-2001	28.09.2001, Friday	12.30 p.m.	17, G. C. Avenue Kolkata - 700 013
2001-2002	30.09.2002, Monday	11.00 a.m.	17, G. C. Avenue Kolkata - 700 013
2002-2003	30.09.2003, Tuesday	10.00 a.m.	17, G. C. Avenue Kolkata - 700 013

All special resolutions moved at the last Annual General Meeting were passed by a show of hands unanimously by all the members present at the Meeting and no special resolution was put through postal ballot.

7) Disclosures

During the financial year ended March 31, 2004 there were no materially significant related party transactions with the Company's Directors or their relatives.

The Company has complied with all the statutory requirements comprised in the Listing Agreements / Regulations / Guidelines / Rules of the Stock Exchanges / SEBI / other Statutory Authorities.

8) Means of Communications

The quarterly / half-yearly and annual financial results of the Company are sent to the Stock Exchanges where the shares of the Company are listed immediately after they have been taken on record by the Board. The same are usually published in Asian Age / Financial Express & Dainik Lipi / Kalantar Newspapers. The Company is also providing information relating to the material events from time to time to the investors and to the public at large by faxing the information to the Stock Exchanges as and when happened.

9) General Shareholder Information

Annual General Meeting :

Date : 30th September 2004
Day : Thursday
Time : 11.30 a.m.
Venue : 17, G. C. Avenue, Kolkata - 13

ASSOCIATED CERAMICS LIMITED

Date of Book Closure :

From 25th September, 2004 to 30th September, 2004 (both days inclusive)

Listing of Securities

Calcutta Stock Exchange.

Mumbai Stock Exchange.

Hyderabad Stock Exchange.

Listing Fees

The Company has paid listing fees for the financial year 2003-2004 to all the Stock Exchanges where the securities are listed.

Demat ISIN Number for NSDL and CDSL

ISIN number has been issued to Equity Shares by NSDL & CDSL is INE771E01010

The Registrar & Share Transfer Agents

Niche Technologies Private Ltd.

C-444, Bagri Market,

71, B. R. B. Road

Kolkata - 700 001

Distribution of Shareholding as on 31st March 2004

No. of Equity Shares held	No. of Share holders	% of total Shareholders	Shares Nos.	% of total Nos.
Upto 100	26	4.0498	2600	0.0865
101-500	444	69.1589	104500	3.4775
501-1000	45	7.0093	42300	1.4076
1001- 5000	61	9.5016	148500	4.9417
5001-10000	19	2.9595	177650	5.9118
10001-50000	37	5.7632	911050	30.3175
50001-100000	4	0.6231	342900	11.4109
100001 and Above	6	0.9346	1275530	42.4465
Total	642	100.0000	3005030	100.0000

Shareholding Pattern As on 31st March 2004.

Category	No. of Share held	% of total Shareholding
Resident Indians	1291100	42.965
Non-Resident Indians	0.00	0.000
Domestic Companies	381600	12.699
HUF	0.00	0.000
Bank	0.00	0.000
Financial Institution	0.00	0.000
Non Resident (Non Rept)	0.00	0.000
Promoters	1332330	44.336
TOTAL	3005030	100.000

ASSOCIATED CERAMICS LIMITED

AUDITORS' REPORT

To
The Members of,
Associated Ceramics Limited

1. We have audited the attached Balance Sheet of ASSOCIATED CERAMICS LIMITED as at 31st March, 2004, Profit & Loss Account and also the Cash Flow Statement of the company for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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 Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we further report that :
 - (i)
 - a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
 - c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
 - (ii)
 - a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and the same has been properly dealt with in the books of account.

ASSOCIATED CERAMICS LIMITED

AUDITORS' REPORT Contd.

- (iii) a) The company has taken unsecured loans from two companies covered in the register maintained under Section 301 of the Companies Act, 1956. As per arrangement with those companies the amount has been drawn as per requirement. The maximum amount drawn during the year was Rs. 81.63 Lacs and the year end balance was Rs. 69.83 Lacs.

The company has granted loans to a company covered in the register maintained under Section 301 of the Companies Act, 1956. The aggregate of such loans during the year was Rs. 92 Lacs and year end Balance was Rs. 0.23 Lacs.

- b) In our opinion and according to information and explanations given to us the rate of interest and other terms and conditions on which said loans have been taken or granted are prima facie not prejudicial to the interest of the company.
- c) The Company has repaid the principal amount as stipulated and has been regular in the payment of interest for the loan taken by it. In case of loan granted by the company neither principal amount or interest is due as per terms of the loan.
- d) There are no overdue amounts of principal and interest in respect of the said loans.
- (iv) In our opinion, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any major weaknesses in the aforesaid internal control procedures.
- (v) a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register in pursuance to Section 301 of the Act, have been so entered.
- b) During the year, there are transactions of purchase of materials from one of the parties covered under Section 301 of the Companies Act, 1956 and exceeding Rupees five lac during the year. As per the information and explanation provided to us these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits from the public within the meaning of Sections 58A and 54AA of the Act and the rules framed thereunder.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
- (ix) a) According to the information and explanations given to us and the records of the company examination by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales

ASSOCIATED CERAMICS LIMITED

AUDITORS' REPORT Contd.

tax, wealth tax, customs duty, cess and other material statutory dues, as applicable, with the appropriate authorities and no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March, 2004 for a period of more than six month.

- b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute (without considering cases wherein the disputed dues have been paid under protest and net of demands raised which have been adjusted by the appropriate authorities against the fund of some other year(s) due to the company).
- (x) The company has no accumulated losses as at March 31, 2004 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions as at the balance sheet date.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statutes applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the company.
- (xiv) In our opinion the Company is not a dealer in shares, securities, debentures and other instruments.
- (xv) In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) The company has not taken any term loans during the year.
- (xvii) On the basis of an overall examination of the Balance Sheet of the company, in our opinion and according to the information and explanation given to us, there are no funds raised on a short term basis which have been used for long term and vice-versa.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- (xix) The company has not raised any money by public issue during the year.
- (xx) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, notice or reported during the year, nor have we been informed of such case by the management.

ASSOCIATED CERAMICS LIMITED

AUDITORS' REPORT Contd.

4. Further to our comments in paragraph 3 above, we report that :
- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - c) The Balance Sheet and Profit and 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 and Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - e) On the basis of written representations received from the directors, as on March 31, 2004 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2004 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2004;
 - (ii) in the case of Profit and Loss Account, of the profit for the year ended on that date.
 - (iii) in the case of the Cash Flow Statement of the Cash Flows for the year ended on that date.

Place : Kolkata
Date : 20.07.2004

For **A. PANDEY & ASSOCIATES**
Chartered Accountants
Sd/-
(A. PANDEY)
Proprietor
ICAI Membership No. 52873

ASSOCIATED CERAMICS LIMITED

BALANCE SHEET AS ON 31ST MARCH, 2004

	SCHEDULE	As at 31st March, 2004 (Rs.)	As at 31st March, 2003 (Rs.)
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS :			
Share Capital	A	32,598,050	32,598,050
Reserve & Surplus	B	67,564,495	67,165,381
Deferred Tax Liability		1,592,572	1,682,968
Loan Funds			
Secured Loan	C	5,543,575	14,267,549
Unsecured Loan	D	27,089,523	19,597,862
TOTAL		<u>134,388,215</u>	<u>135,311,810</u>
APPLICATION OF FUNDS :			
Fixed Assets			
Gross Block	E	58,550,141	56,663,762
Less Depreciation		42,439,863	39,972,084
Net Block		<u>16,110,278</u>	<u>16,691,678</u>
INVESTMENTS			
	F	22,958,003	19,653,688
Current Assets, Loans & Advances :			
Inventories	G	24,417,942	27,775,560
Sundry Debtors	H	100,617,922	96,459,782
Cash & Bank Balances	I	10,778,400	11,784,330
Loans, Advances & Deposits	J	8,611,086	12,393,077
		<u>144,425,350</u>	<u>148,412,749</u>
LESS : CURRENT LIABILITIES & PROVISIONS :			
	K		
Liabilities		48,925,217	46,331,366
Provisions		857,190	4,206,930
		<u>49,782,407</u>	<u>50,538,296</u>
NET CURRENT ASSETS :			
		94,642,943	97,874,453
Miscellaneous Expenditure		676,991	1,091,991
(To the extent not written off or adjusted)			
TOTAL		<u>134,388,215</u>	<u>135,311,810</u>
Notes on Accounts & Significant Accounting Policies			
	S		

In terms of our report of even date
For **A. PANDEY & ASSOCIATES**
Chartered Accountants

(A. PANDEY)
Proprietor

Arun Agarwal - Managing Director

Sharad Agarwal - Director

Binod Suhasaria - Director

Place : Kolkata
Date : 20.07.2004

ASSOCIATED CERAMICS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2004

	SCHEDULE	As at 31st March, 2004 (Rs.)	As at 31st March, 2003 (Rs.)
INCOME :			
Gross Sales	L	213,014,623	174,950,015
Domestic		210,013,884	
Exports		3,000,739	
		<u>213,014,623</u>	
Less : Excise Duty		<u>29,321,987</u>	<u>24,652,475</u>
Net Sales		<u>183,692,636</u>	<u>150,297,540</u>
Other Income	M	207,564	1,200,739
Increase / (Decrease) in Stock	N	<u>(5155600)</u>	<u>273,489</u>
		<u>178,744,600</u>	<u>151,771,768</u>
EXPENDITURE :			
Manufacturing Expenses	O	155,910,582	130,081,433
Employee's Remuneration & Benefits	P	6,408,615	7,180,649
Selling Expenses		4,494,792	4,935,615
Interest		1,173,855	2,357,282
Other Expenses	Q	6,495,935	4,188,400
Depreciation	R	2,123,410	2,292,375
		<u>176,607,189</u>	<u>151,035,754</u>
PROFIT BEFORE TAXATION :		2,137,411	736,014
Provision For Taxation : Current Tax		857,190	432,217
Deferred Tax		(90396)	(163464)
Income Tax adjustment for earlier years		627132	—
Profit after Taxation		743,485	467,261
Balance B/F from Previous Year		6,451,564	5,984,305
Profit available for appropriation		<u>7,195,049</u>	<u>6,451,566</u>
APPROPRIATION			
BALANCE CARRIED FORWARD		7,195,049	6,451,566
		<u>7,195,049</u>	<u>6,451,566</u>
Earning per share (Basic/Diluted)		0.36	0.23

Notes on Accounts &

Significant Accounting Policies

S

In terms of our report of even date
For **A. PANDEY & ASSOCIATES**
Chartered Accountants

(A. PANDEY)
Proprietor

Arun Agarwal - Managing Director

Sharad Agarwal - Director

Binod Suhasaria - Director

Place : Kolkata

Date : 20.07.2004

ASSOCIATED CERAMICS LIMITED

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE - A SHARE CAPITAL :		As at 31st March, 2004 (Rs.)	As at 31st March, 2003 (Rs.)
Authorised			
30,25,000 Equity Shares of Rs. 10/- each (Previous Year 30,25,000 Equity Shares of Rs. 10/- each)		30,250,000	30,250,000
9,750 Preferential Shares of Rs. 1,000/- each (Previous Year 9750 Pref. Shares of Rs. 1000/- each)		9,750,000	9,750,000
		<u>40,000,000</u>	<u>40,000,000</u>
Issued, Subscribed & Paid - Up			
30,05,030 Equity Shares of Rs. 10/- each (Previous Year 30,05,030 Equity Shares of Rs. 10/- each)	30050300		
Less : Call in arrears			
9,60,300 Equity Shares @ Rs. 7.50 each 9750 Preferential Shares of Rs. 1,000/- each (Previous year 9750 Preferential Shares of 1000/- each)	<u>7202250</u>	22,848,050	22,848,050
		9,750,000	9,750,000
		<u>32,598,050</u>	<u>32,598,050</u>
SCHEDULE - B RESERVE & SURPLUS :			
Capital Reserve	4549845		
(Balance as per last A/c)			
Less : Transfer to Profit & Loss A/c	<u>344369</u>	4,205,476	4,549,845
Capital Subsidy		1,500,000	1,500,000
General Reserve			
Balance as per last A/c		118,970	118,970
Premium Reserve		54,545,000	54,545,000
Profit and Loss A/c		7,195,049	6,451,566
		<u>67,564,495</u>	<u>67,165,381</u>
SCHEDULE - C SECURED LOANS :			
Cash Credit from Banks		5,543,575	14,267,549
		<u>5,543,575</u>	<u>14,267,549</u>
SCHEDULE - D UNSECURED LOANS :			
Other Loans		6,708,896	2,795,066
Deferment of Sales Tax		20,380,627	16,802,796
		<u>27,089,523</u>	<u>19,597,862</u>

SCHEDULE - E
FIXED ASSETS :

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 01-04-2003	Addition during the year	TOTAL COST AS AT 31-03-2004	UP TO 31-03-2003	For the year	TOTAL	AS AT 31-03-2004	AS AT 31-03-2003
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Land	1,025,118.00	—	1,025,118.00	—	—	—	1,025,118.00	1,025,118.00
Plant and Machinery	26,478,600	480,400	26,959,000	21,920,099	976,460	22,896,559	4,062,441	4,558,501
Buildings	9,924,639	23,915	9,948,554	3,916,686	300,996	4,217,682	5,730,872	6,007,953
Furniture & Fixture	239,821	—	239,821	199,955	7,216	207,171	32,650	39,866
Laboratory	1,068,062	—	1,068,062	787,370	58,580	845,950	222,112	280,692
Generator Set	2,462,631	—	2,462,631	1,543,061	191,914	1,734,975	727,656	919,570
Office Equipments	1,805,878	73,970	1,879,848	1,017,434	150,482	1,167,916	711,732	788,244
Type Writers	13,992	—	13,992	13,454	97	13,551	441	538
Motor Vehicles	2,082,801	723,038	2,815,839	1,820,975	122,484	2,043,459	772,380	171,826
Motor Cycle	17,696	—	17,696	17,266	111	17,377	319	430
Cycle	3,578	—	3,578	3,244	67	3,311	267	334
Pay Loader/Fork Lift Truck	995,000	585,056	1,580,056	861,970	135,421	997,391	582,665	133,030
Project	8,862,847	—	8,862,847	6,755,521	439,799	7,195,320	1,667,527	2,107,326
Tools & Equipment	48,502	—	48,502	31,824	3,481	35,305	13,197	16,678
Dust Catcher	1,168,554	—	1,168,554	862,362	63,902	926,264	242,290	306,182
Weigh Bridge	456,243	—	456,243	120,863	16,769	137,632	318,611	335,380
Total	56,663,762	1,886,379	58,550,141	39,972,084	2,467,779	42,439,863	16,110,278	16,691,678
Previous Year	55,913,494	750,268	56,663,762	37,284,766	2,687,318	39,972,084	16,691,678	18,628,727

ASSOCIATED CERAMICS LIMITED

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE - F INVESTMENTS :

LONG TERM QUOTED SHARES

FACE VALUE

As at 31st
March, 2004

As at 31st
March, 2003

Trade

(Rs.)

1400	Jindal Photo Film Ltd.	10	262,500	262,500
3500	Triveni Sheet Glass Ltd.	10	245,000	245,000
3500	Ganesh Benzo Plast Ltd.	10	—	367,500
71	Jain Irrigation Systems Ltd.	10	—	1,000
50000	Amarjyoti Udyog Ltd.	10	500,000	500,000
500	HDFC Bank Ltd.	10	5,000	5,000
22800	Jindal Vijaynagar Steels Ltd.	10	248,250	248,250
100	Union Bank of India	10	—	1,600

Bonds

950	ICICI Safety Bonds	4,500,000	4,500,000
500	IDBI Flexi Bonds	2,500,000	2,500,000

Unquoted

(Other than Govt. Securities)

Sharad Refractories Pvt. Ltd.	5,000	5,000
Share Application Money (Refund due)	5,000	5,000
Associated Global Finance Ltd.	30,000	30,000

Mutual Funds

HDFC Income Fund	14,185	3,122,545
HDFC Liquid Fund	—	3,000,000
HDFC Growth Fund	—	700,000
Prudential ICICI Income Fund	—	1,660,293
Prudential ICICI Growth Fund	—	500,000
Prudential ICICI Liquid Fund	—	1,000,000
Birla Income plus	—	1,000,000
Birla Cash Plus Retail Plan	702	
Birla MIP Plan C	1,116,529	
HDFC MF MIP-Short Term	6,485,759	
HDFC Prudence Fund-Div Plan	573,692	
HDFC Capital Builder Fund	621,354	
Prudential ICICI MIP	2,914,376	
Prudential ICICI Power Div	577,457	
Prudential ICICI Dynamic Plan	275,000	
Templeton F.T India MIP	2,077,702	
Templeton Income Builder	497	

Market value of quoted Investments in shares as
on 31.03.2004 is Rs. 4908655 (Previous Year Rs. 47,04,290/-)

22,958,003	19,653,68
------------	-----------

SCHEDULE - G INVENTORIES :

(At cost and as taken valued and
certified by the Management)

Raw Materials	14,323,176	13,228,559
Coal	295,385	98,907
Furnace Oil	599,075	52,188
Semi-finished goods	6,500,000	5,315,000
Finished goods	2,740,306	9,080,906
	24,417,942	27,775,560

ASSOCIATED CERAMICS LIMITED

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	As at 31st March, 2004 (Rs.)	As at 31st March, 2003 (Rs.)
SCHEDULE - H		
SUNDRY DEBTORS :		
(Unsecured considered good)		
Debts outstanding for :		
More than six months	33,473,267	23,205,402
Less than six months	67,144,655	73,254,380
	<u>100,617,922</u>	<u>96,459,782</u>
SCHEDULE - I		
CASH & BANK BALANCES :		
Cash in hand (as per books and Certified by management)	1,066,975	772,012
Balance with Scheduled Banks in Current Account	4,071,960	2,419,411
in Deposit Account	5,639,465	8,592,907
	<u>10,778,400</u>	<u>11,784,330</u>
SCHEDULE - J		
LOANS, ADVANCES & DEPOSITS :		
LOANS		
To a Company incorporated under the Companies Act, 1956 (Including interest Accrued)	1,101,524	1,080,408
ADVANCES & DEPOSITS		
Income Tax & TDS Pending Adjustment	1,017,129	5,644,673
Income Tax refundable	826,714	—
Balance with Central Excise Authorities	492,127	375,021
Anti Dumping Duty	298,200	298,200
Advance to Parties (Recoverable in Cash or kind or for valued to be received and/or pending adjustment)	3,299,044	3,522,645
To Staff	12,500	12,500
To Others	732,353	628,134
Security Deposits (Unsecured Considered good)	678,170	678,170
Earnest Money (Unsecured considered good)	153,325	153,326
	<u>8,611,086</u>	<u>12,393,077</u>
SCHEDULE - K		
CURRENT LIABILITIES & PROVISIONS :		
CURRENT LIABILITIES :		
Sundry Creditors against goods	33,029,118	40,917,548
Advance against goods	14,490,668	4,167,015
Creditors for Expenses	1,400,484	1,241,856
Book Over Draft	4,947	4,947
	<u>48,925,217</u>	<u>46,331,366</u>
PROVISIONS :		
For Income Tax	857,190	4,206,930
	<u>857,190</u>	<u>4,206,930</u>

ASSOCIATED CERAMICS LIMITED

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	As at 31st March, 2004	As at 31st March, 2003
SCHEDULE - L		
SALES :		
Firebricks	182,077,450	148,511,873
Fireclay Mortar & Binder	1,615,186	1,785,667
	<u>183,692,636</u>	<u>150,297,540</u>
SCHEDULE - M		
OTHER INCOME :		
Interest	427,780	360,382
Interest on Income Tax refund	16,103	—
Profit / (Loss) on Investments (Net)	(257,502)	482,838
Miscellaneous Receipts	21,183	357,519
	<u>207,564</u>	<u>1,200,739</u>
SCHEDULE - N		
INCREASE / (DECREASE) IN STOCK		
OPENING STOCK :		
Finished Goods	9,080,906	8,282,417
Stock-in-process	5,315,000	5,840,000
	<u>14,395,906</u>	<u>14,122,417</u>
CLOSING STOCK :		
Finished Goods	2,740,306	9,080,906
Stock-in-process	6,500,000	5,315,000
	<u>9,240,306</u>	<u>14,395,906</u>
	<u>(5,155,600)</u>	<u>273,489</u>
SCHEDULE - O		
MANUFACTURING EXPENSES		
RAW MATERIALS CONSUMED :		
Opening Stock	13,228,559	27,711,463
Add : Purchases	126,937,972	96,709,324
	<u>140,166,531</u>	<u>124,420,787</u>
Less : Closing Stock	14,323,176	13,228,559
	<u>125,843,355</u>	<u>111,192,228</u>
Power & Fuel	23,210,355	14,329,454
Stores & Spares	2,972,172	1,423,400
Repairs	2,204,253	2,130,913
Transportation Charges	1,658,247	978,238
Pollution Control Charges	22,200	27,200
	<u>155,910,582</u>	<u>130,081,433</u>

ASSOCIATED CERAMICS LIMITED

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	As at 31st March, 2004	As at 31st March, 2003
SCHEDULE - P		
EMPLOYEES REMUNERATION & BENEFITS		
Salary, Wages, Bonus	5,526,960	5,896,244
Employees Provident Fund	580,286	500,327
Staff & Labour Welfare	301,369	784,078
	<u>6,408,615</u>	<u>7,180,649</u>
SCHEDULE - Q		
OTHER EXPENSES :		
Travelling	1,136,133	687,852
Conveyance	50,879	52,130
Vehicle Maintenance	296,826	325,554
Director's Remuneration	120,000	210,000
Printing & Stationery	109,143	75,511
Telephone Charges	152,648	137,290
Rent	240,000	240,000
Postage, Telegram & Courier	79,800	105,989
Electricity Charges	2,561	2,343
Bank Charges	701,840	573,747
Rates & Taxes	692,236	193,466
Audit Fee	26,250	26,250
Security Guard	100,953	91,489
Advertisement	147,264	63,080
Insurance	140,940	155,087
Legal Expenses	71,018	63,350
Sales Promotiion	173,285	85,801
General Charges	396,433	153,520
Subscription & Donation	83,083	59,760
Office Expenses	14,048	32,230
Books & Periodicals	8,617	8,415
Liaison Charges	131,800	156,601
Miscellaneous Expenses Written off	415,000	415,000
Computer Accessories	—	19,860
Previous Year Adjustment	1,205,178	254,075
	<u>6,495,935</u>	<u>4,188,400</u>
SCHEDULE - R		
DEPRECIATION :		
For the Year	2,467,779	2,687,318
Less : Transferred From Capital Reserve	344,369	394,943
	<u>2,123,410</u>	<u>2,292,375</u>

ASSOCIATED CERAMICS LIMITED

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE - S

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS :

A. SIGNIFICANT ACCOUNTING POLICIES

01. Basis of Accounts

The Financial Statements are prepared on Historical Cost Convention and on accrual basis except retirement benefits like Gratuity which is accounted for on cash basis.

02. Fixed Assets

Fixed Assets are stated at cost of acquisition, construction and improvement made thereto and is inclusive of freight and taxes.

03. Depreciation

Depreciation on Fixed Assets has been provided on written down value at the rates prescribed in Schedule-XIV as amended by notification dated at 16th December, 1993 to the Companies Act, 1956.

04. Inventories

Finished goods are valued at average cost of production and Raw Material are valued at average cost.

05. Excise Duty :

Excise Duty payable on goods kept in the factory are neither included in the expenditure nor it is taken into account for valuation of closing stock. It is accounted at the time of clearance of goods from the Factory. This practice is consistently followed by the Company and has no impact on Profit & Loss. Modvat Credits in respect of Raw Materials are taken into account at the time of Purchase of Raw Material (to the credit of the respective purchase and utilised for payment of excise duty on goods manufactured).

06. Deferred Tax :

Income Tax Expenses is accounted for in accordance with AS-22 'Accounting for Taxes on Income' which include Current Tax and Deferred Taxes. Deferred Tax reflect the impact of current Year timing difference between Taxable Income and Accounting Income for the year and reversal of timing difference of earlier Years. Deferred Tax Assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future Taxable income will be available against which such Deferred Tax Assets can be realised.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Income Statement in the period of enactment of change.

07. Accounting Policies not referred to otherwise are consistent with generally accepted accounting principles.

B. NOTES ON ACCOUNTS :

1. Certain Bank balance are subject to reconciliation as the company could not obtain the bank statement from the concerned banks before the date of audit.

ASSOCIATED CERAMICS LIMITED

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

2. Contingent Liabilities have not been provided in respect of guarantees given by Bank to the extent of Rs. 1,54,62,551/- (Previous Year Rs. 1,62,35828/-).
3. Issued, Subscribed and Paid up Capital as at 31st March, 2004 is represented by 30,05,030 Equity Shares of Rs. 10/- each and 9750 Preference Shares of Rs. 1000/- each (Previous Year : 9750 Preference Shares), out of above 30,05,030 Equity Shares 20,44,730 Equity Shares are fully paid up and 9,60,300 Equity Shares are partly paid up. (Due Amount Rs. 7.50 per Share).
4. The Company is not providing interest on loan given to Refractory Specialities India Ltd. Since 1998.
5. As the market value of an investment is not available as on 31.03.2004 it has been taken as the value on which it was last traded in the Stock Exchange.
6. Cash Credit from Union Bank of Rs. 55,43,575/- (Previous Year Rs. 1,42,67,543/-) is secured by hypothecation of Raw Materials, Work-in-Process, Finished Goods and Book Debts of the Company.

	As at 31st March, 2004	As at 31st March, 2003
7. Directors Remuneration :		
Salaries	1,20,000	2,10,000
Perquisites	8,269	4,66,270
8. Information on Earning per Shares :		
a) Numerator used		
Profit after Taxation	743485	467261
b) Denominator used		
Weighted average		
No. of Shares	2044730	2044730

9. Related Party Transactions

Information given in accordance with the requirements of Accounting Standard (AS-18) - Related party disclosures issued by the Institute of Chartered Accountants of India :

A) List of Related Parties

1) Associates

- a) Mugma Coke Oven (P) Ltd.
- b) Vikash Ceramics (P) Ltd.
- c) Excellent Merchants (P) Ltd.
- d) Sharad International Ltd.
- e) Associated Global Finance Limited
- f) Somnath Fuels (P) Ltd.
- g) Amarjyoti Udyog Ltd.
- h) Tara Agarwal
- i) Bihari Agarwal (HUF)

ASSOCIATED CERAMICS LIMITED

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

2) Names of the management personnel of the company

- | | |
|-----------------------------------|-------------------|
| a) Chairman-cum-Managing Director | - Arun Agarwal |
| b) Director | - Sharad Agarwal |
| c) Director | - Binod Suhasaria |

B) Transactions with Associates

- | | | |
|-----------------------------------|---|---|
| a) Mugma Coke Oven (P) Ltd. | : | Interest received Rs. 23,164/- |
| b) Vikash Ceramics (P) Ltd. | : | Purchased goods worth Rs. 23,67,894/- |
| c) Excellent Merchants (P) Ltd. | : | Received (Previous balance) of Rs. 17,488/- |
| d) Sharad International Ltd. | : | Received (Previous balance) of Rs. 7,560/- |
| e) Associated Global Finance Ltd. | : | Paid interest Rs. 5,20,786/- |
| f) Somnath Fuels (P) Ltd. | : | Paid interest Rs. 39,041/- |
| g) Amarjyoti Udyog Ltd. | : | Paid (Previous balance) of Rs. 62,334/- |
| h) Tara Agarwal | : | Paid Rent Rs. 1,20,000/- |
| i) Bihari Agarwal (HUF) | : | Paid Rent Rs. 1,20,000/- |

C) Transaction with key management personnel

Details of remuneration paid to management personnel is disclosed in Note - 7.

10. Deferred Taxes :

In terms of accounting standard on 'Accounting for taxes on Income' (AS-22), the components of deferred taxes and their major break-up are given below :

Deferred Tax liability as on 01.04.2003		Rs. 16,82,968/-
Less : Depreciation difference for the year	Rs. 2,46,890	
43B Item expenses for the year	Rs. 1,03,110	
	Rs. 3,50,000	
Add : 43B Item expenses of last year (Reversed)	Rs. 98,026	
	Rs. 2,51,974	
Tax effect		Rs. 90,396/-
Deferred Tax Liability as on 31.03.2004		Rs. 15,92,572/-

ASSOCIATED CERAMICS LIMITED

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

11. As the company's business activity falls within a single business segment viz Fire Brick and Fire Clay Powder the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting" are not applicable.
12. Additional Information pursuant to the Provisions of Paragraph 3 & 4 of Part - II of Schedule - VI to the Companies Act, 1956.

a) Licensed Capacity & Installed Capacity : :

	<u>Licensed (M.T.)</u>	<u>Installed (M.T.)</u>
Refractory Bricks & Powder	25000	25000
	(25000)	(25000)

(Licensed and Installed Capacities are as certified by the Management and being a Technical matter not verified by us.)

b) Quantitative Details : See Overleaf.

13. CIF Value of Imports : \$ 409011.66 (\$ 30951861) = Rs. 1,91,48,244/- (Rs. 1,50,59,825/-)
14. Earning in Foreign Currency : \$ 51051.09, Euro 11550 Rs. Value - 3000738.60 (Previous Year : Nil)
15. Previous year figures have been re-grouped and re-arranged wherever considered necessary.

In terms of our report of even date
For **A. PANDEY & ASSOCIATES**
Chartered Accountants

(A. PANDEY)
Proprietor

Arun Agarwal - Managing Director
Sharad Agarwal - Director
Binod Suhasaria - Director

Place : Kolkata
Date : 20.07.2004

Production Turnover and Stock

	PRODUCTION		OPENING STOCK		TURN OVER		CLOSING STOCK	
	<u>Qnty.</u>		<u>Qnty.</u>	<u>Value (Rs.)</u>	<u>Qnty.</u>	<u>Value (Rs.)</u>	<u>Qnty.</u>	<u>Value (Rs.)</u>
Fire Bricks	15801		1183	9080906	16716	182077450	268	2740306
- do - Prev. Year	17950		1101	8282417	17868	148511873	1183	9080906
Fire Clay Powder & Liquid Binder	280		0	0	280	1615186	0	0
- do - Prev. Year	259		0	0	259	1785667	0	0
Total (Current Year)	16081		1183	9080906	16996	183692636	268	2740306
Total of Prev. Year :	18209		1101	8282417	18127	150297540	1183	9080906

Purchase, Consumption and Stock of Raw Material

	PURCHASE		OPENING STOCK		CONSUMPTION		CLOSING STOCK	
	<u>Qnty.</u>	<u>Value (Rs.)</u>	<u>Qnty.</u>	<u>Value (Rs.)</u>	<u>Qnty.</u>	<u>Value (Rs.)</u>	<u>Qnty.</u>	<u>Value (Rs.)</u>
Indegenous								
Diaspore, Sillimanite,								
Corrundum, Kyanite	6339	24941931	71	384899	6177	24407170	233	919660
- do - Prev. Year	1211	7183256	318	1113224	1458	7911581	71	384899
Fireclay & Others	9708	37623591	412	2305387	9065	38063414	1055	1865564
- do - Prev. Year	8089	30078928	2752	10382566	10429	38156107	412	2305387
Bauxite	279	2732717	281	1157025	550	3819974	10	69768
- do - Prev. Year	2177	8827543	858	3657103	2754	11327621	281	1157025
Mulite & Alumina	420	7012947	1	39560	376	6298653	45	753854
- do - Prev. Year	124	5018138	6	116356	129	5094934	1	39560
Magnesite & Chromite	4043	25950013	733	5952599	4556	30366896	220	1535716
- do - Prev. Year	3497	31984494	1048	5417249	3812	31449144	733	5952599
Total (Current Year) :	20789	98261199	1498	9839470	20724	102956107	1563	5144562
Total of Prev Year :	15098	83092359	4982	20686498	18582	93939387	1498	9839470
Imported								
Magnesite & Chromite	1571	28676773	515	3389089	1584	22887249	502	9178613
- do - Prev. Year	1823	13616964	395	7024965	1703	17252840	515	3389089
Total (Curr. Year)	22360	126937972	2013	13228559	22308	125843356	2065	14323175
Total (Prev. Year)	16921	96709323	5377	27711463	20285	111192227	2013	13228559

ASSOCIATED CERAMICS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details	Registration No.	27835
	State Code	21
	Balance Sheet Date	31.03. 2004
2. Capital raised during the year (Amount in Rs.000)	Public Issue	NIL
	Right Issue	NIL
	Bonus Issue	NIL
	Private Placement	NIL
3. Position of Mobilisation & Deployment of Funds (Amount in Rs.000)	Total Liabilities	134388
	Total Assets	134388
	Sources of Funds	
	Paid-up Capital	32598
	Reserves and Surplus	67564
	Secured Loan	5544
	Unsecured Loans	27089
	Deferred Tax Liabilities	1593
	Application of Funds	
	Net Fixed Assets	16110
	Investment	22958
	Net Current Assets	94643
	Misc. Expenditure	677
4. Performance of the Company (Amount in Rs.000)	Turnover	178745
	Total Expenditure	176607
	Profit / (Loss) before Tax	2138
	Profit / (Loss) after Tax	743
	Earning Per Share (Rs.)	0.36
	Dividend Rate (%)	NIL
5. Generic Names of the Principal Products /Services of the Company (As per monetary terms)	Item Code No. (ITC Code)	NA
	Product Description	Refractory Bricks & Powder

In terms of our report of even date
For **A. PANDEY & ASSOCIATES**
Chartered Accountants

(A. PANDEY)
Proprietor

Arun Agarwal - Managing Director
Sharad Agarwal - Director
Binod Suhasaria - Director

Place : Kolkata
Date : 20.07.2004

ASSOCIATED CERAMICS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2004

	YEAR ENDED 31.03.2004 (Rs. in Lakhs)	YEAR ENDED 31.03.2003 (Rs. in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	21.37	7.36
Adjustments for :		
Depreciation	21.23	22.92
Interest on Borrowings	11.74	23.57
Interest Income	(4.28)	(3.60)
Loss on Investment	2.57	
Miscellaneous Expenditure W/Off	4.15	9.83
Dividend received	—	(0.08)
	<u>35.41</u>	<u>52.64</u>
	56.78	60.00
Operating Profit before working capital changes		
Adjustments for :		
Trade & Other receivables	(3.76)	(20.20)
Inventories	33.58	137.71
Trade payables & other liabilities	(7.56)	90.03
Cash Utilised / from operations		207.54
Interest paid	(6.53)	(23.57)
Direct tax paid	(10.15)	(5.18)
	<u>(16.68)</u>	<u>(28.75)</u>
Net Cash From / Utilised in operating activities	62.36	238.79
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(18.86)	(7.50)
Purchase of Investment	(30.00)	(100.02)
Loss of Investment	2.57	
Dividend Received	—	0.08
Interest Received	4.28	3.60
	<u>(47.15)</u>	<u>(103.84)</u>
Net Cash from / used in Investing Activities		(103.84)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Secured Loans	(80.71)	—
Unsecured Loans	55.44	(80.78)
	<u>(25.27)</u>	<u>(80.78)</u>
Net Cash from / utilised Financial Activities	(10.43)	(80.78)
Net Increase / (Decrease) in Cash / Cash Equivalents (A+B+C)	(10.06)	54.17
Cash & Cash Equivalents as at 31.03.2003 (Opening Balance)	117.84	63.67
Cash & Cash Equivalents as at 31.03.2004 (Closing Balance)	107.78	117.84
Note : Figures in brackets represents outflows		

Place : Kolkata
Date : 20.07.2004

Arun Agarwal - Managing Director
Sharad Agarwal - Director
Binod Suhasaria - Director

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of Associated Ceramics Limited for the year ended 31st March, 2004. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of Listing Agreements with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 19th day of August, 2004 to the members of the Company.

For **A. PANDEY & ASSOCIATES**
Chartered Accountants

Place : Kolkata
Date : 20.07.2004

Sd/-
(A. PANDEY)
Proprietor