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# Associated Stone Industries (Kotah) Ltd.

## 64<sup>th</sup> Annual Report 2009-2010



*The Stone Masters*

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## **BOARD OF DIRECTORS**

DEEPAK JATIA, Chairman & Managing Director

TUSHYA JATIA, Executive Director

SANWARMULL SHROFF

PADAM KUMAR PODDAR

PRAMOD G. LATH

ANSHUL M. SONAWALA

ANITA JATIA (Alternate to Sanwar Mull Shroff)

## **COMPANY SECRETARY**

UTTAM SHETTY

## **MANAGEMENT EXECUTIVES**

S.C.AGARWAL, President

PAVAN SONI, G.M. (Finance & Accounts)

GEORGE MATHEW , G.M (Import & Export)

A.K.YADAV, G.M. (Engineering)

## **AUDITORS**

M/s. B.L.AJMERA & CO.  
Chartered Accountants,  
M.I. Road, Jaipur -302001

## **BANKERS**

HDFC Bank Limited  
IDBI Bank Limited

## **REGISTERED OFFICE**

Bazar No .1,  
Ramganjmandi -326519  
Dist. Kota , Rajasthan

## **HEAD OFFICE**

Marathon Innova, A wing 7th Floor,  
Off Ganpatrao Kadam Marg,  
Lower Parel, Mumbai. 400013

## **WORKS**

Ramganjmandi -326519  
Dist. Kota , Rajasthan

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## DIRECTORS' REPORT

To  
The Members,  
**Associated Stone Industries (Kotah) Limited**

The Directors have pleasure in presenting the 64th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2010:

### 1. FINANCIAL RESULTS:

	(Rs. in lacs)	
	2009-10	2008-09
<b>Sales</b>	<b>15922.63</b>	12657.91
Profit before Interest and Depreciation	<b>1989.68</b>	1880.83
Less : Interest	<b>272.95</b>	228.50
Depreciation	<b>405.80</b>	362.42
Profit for the year	<b>1310.93</b>	1289.91
Prior Year Income/(Expenses)	<b>0.77</b>	9.62
Profit before Taxation	<b>1311.70</b>	1299.53
Provision for Taxation		
Current Tax	<b>(394.70)</b>	(154.69)
Fringe Benefit Tax	-	(7.64)
Deferred Tax	<b>6.02</b>	(246.18)
Income Tax for Earlier Years	<b>(21.11)</b>	(29.44)
<b>Profit after tax</b>	<b>901.91</b>	861.58
Add: Balance brought forward from the previous Year	<b>1858.82</b>	1120.30
Profit Available for Appropriation	<b>2760.73</b>	1981.88
<b>Appropriations</b>		
Transfer to General Reserve	<b>75.00</b>	30.00
Interim Dividend	<b>33.14</b>	-
Proposed Dividend	<b>99.43</b>	79.54
Tax on Dividend	<b>22.15</b>	13.52
Balance carried forward to Balance Sheet	<b>2531.01</b>	1858.82
	<b>2760.73</b>	1981.88

### 2. DIVIDEND

Your Directors had disbursed an Interim Dividend of Re.0.50 (equivalent to 5%) per equity share of face value of Rs 10/- each in November 2009. In addition to the interim dividend, your Directors have decided to recommend a final dividend amounting Re.0.75 (equivalent to 15%) per equity share of the face value of Rs.5/-each, thus making total dividend payout for the year Re.1/- (equivalent to 20%) per equity share

of Rs. 5/- each as against Rs. 1.20 (equivalent to 12 %) per equity share of Rs. 10/- each during last financial year.

### 3. CHANGES IN CAPITAL STRUCTURE

As approved by the shareholders at the Extra Ordinary General Meeting of the Company held on 15th January 2010, the equity share having face value of Rs. 10/- each has been sub-divided in to 2 equity shares of Rs 5/- each. Paid up capital of the Company as of date is Rs. 6,62,83,730/- consisting of 1,32,56,746 Equity shares of Rs 5/- each.

### 4. PERFORMANCE

For the year under view the production of Kotah Stone was 1395.95 lacs sq. fts. as against 1363.67 lacs sq. fts. in the previous year and sales were 1376.06 lacs sq. ft. as against 1327.32 lacs sq. fts. in the previous year.

During the year 2009-10 the Company has registered a turnover of Rs. 15922.63 lacs (Rs. 12657.91 Lacs) and Gross Profit of Rs.1989.68 Lacs (Rs. 1880.83 Lacs).

The profit during the year 2009-10 is Rs.1310.93 Lacs as compared to Rs. 1289.91 Lacs during last year 2008-2009.

### 5. WIND POWER PROJECT

The Company has so far installed 4.75 MW capacity wind power projects comprising of 1.125 MW capacity in Tiruppur District of Tamilnadu, 1.125 MW capacity in Gadag District of Karnataka and 2.50MW capacity in Satara District of Maharashtra.

The wind power projects by themselves are not commercially viable since their operation depends on availability of winds which is a function of nature and many times erratic since it is linked to monsoon. Due to failure of monsoon during last two years, generation has been less than estimated. At the same time, wind power generation is one of the cleanest forms of power generation as it does not involve use of fossil fuels which leads to emission of large

quantities of toxic gases into the atmosphere leading to climate change. In fact recognizing this immense advantage of wind and similar forms of power generation like solar power, power utilities are mandated to buy certain percentage of power needs from the agencies installing such plants by Central Electricity Regulatory Authority, Govt. of India. To make such projects economically viable for investors, carbon credit benefit is also extended under Kyoto Protocol of UNFCCC (United Nations Framework Conference on Climate Change).

Company has applied for such Carbon Credit benefit for 4.75 MW bundled Power Project (1.125 MW in Tamilnadu, 1.125 MW in Karnataka and 2.50MW in Maharashtra). The proposal has been granted "Host Country Approval" by the Ministry of Environment & Forests, Government of India. The Proposal will go to the Executive Board of UNFCCC at Bonn, Germany for their registration after recommendation by the validators.

The Company has appointed an international consultant M/s SGS India Pvt. Ltd., to validate the project and submit their recommendations to the UN Executive Board at Bonn. The final validation report has been received and sent to SGS Ltd., U.K. The registration of the project by UNFCCC is expected in the second half of 2010-11.

## **6. ENVIRONMENT SAFETY & HEALTH**

The Company continues to maintain high standards of safety at workplace through strong supervision and improving the conditions where required. Regular health camps have been organized at the worksite to diagnose any serious ailment.

Company continues to work as per its Eco-friendly Mining Plan adhering to its Environment Policy. Plantation of the trees in mine area continues as a yearly feature of its policy.

## **7. CORPORATE GOVERNANCE**

The Company has complied with mandatory provisions of Corporate Governance as prescribed under the Listing Agreement.

A separate report on Corporate Governance is produced as a part of the Annual Report along with Auditors' Certificate on its compliance.

## **8. DIRECTORS' RESPONSIBILITY STATEMENT**

As stipulated in Section 217(2AA) of Companies Act, 1956, your Directors subscribe to the "Directors Responsibility Statement" and 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 have 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 have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 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.

## **9. DIRECTORS**

Shri. Sunil Kumar Goenka has resigned as Director of the Company w.e.f 29.10.2009 . The Board wishes to place on record its gratitude and appreciation for the co-operation and guidance rendered by him during his tenure as Director of the Company.

Shri. Sanwar Mull Shroff retires by rotation in accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company but being eligible, offers himself for reappointment.

Shri. Anshul M. Sonawala who was appointed by the Board of Directors of your Company in its meeting



held on 02nd December, 2009 as Additional Director in terms of Article 110 of the Articles of Association of the Company, will hold office up to the date of ensuing Annual General Meeting. Your Company has received notice under Section 257 of the Companies Act, 1956 proposing Shri. Anshul M. Sonawala for the office of Director to be elected by the members in the ensuing Annual General Meeting.

#### 10. AUDITORS

M/s. B.L. Ajmera & Co., Chartered Accountants, retire as auditors of the Company at the ensuing Annual General Meeting and are eligible for reappointment.

#### 11. STATUTORY INFORMATION

The information pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not applicable.

The Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is in Annexure.

The Company has been accepting deposits within the meaning of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. The Fixed Deposits as on 31st March, 2010 was Rs 263.21 Lacs.

#### 12. APPRECIATION

Your Directors place on record their gratitude to Central and State Governments, Bankers, Financial Institutions, Customers, Staff & Workers, Members and Investing Public for their continued support.

On behalf of the Board of Directors

Mumbai  
15th May, 2010

**Deepak Jatia**  
Chairman & Managing Director

### ANNEXURE TO DIRECTORS' REPORT

#### **PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULE, 1988.**

#### **CONSERVATION OF ENERGY**

The aforesaid information is not applicable to the Company. Encouraged with the results of using grid power at 11 KV, Company is now using at 3 locations State Electricity Power at 11 KV, replacing D. G. power generation. It has helped in reducing the cost of production. Further replacement in coming years is planned.

#### **TECHNOLOGY ABSORPTION / RESEARCH & DEVELOPMENT**

Company always believed in innovation through R&D as central issue in economic prosperity. Company added, during the year, state of art processing facilities for calibration, online polishing, chamfering, sandblasting and for designing the tiles to supply high value product in the market. Company continues to regulate the reduction in waste and improving the mineral recovery.

**Benefits derived :** Company is now in a much better position to offer a high value item of better quality and to the customers' satisfaction.

Imported Technology: None. It is all in-house development.

#### **FOREIGN EXCHANGE EARNING AND OUTGO.**

The relevant figures pertaining to Foreign Exchange Earning and Outgo are given in notes on accounts annexed to and forming part of Balance Sheet.

On behalf of the Board of Directors

Mumbai  
15th May, 2010

**Deepak Jatia**  
Chairman & Managing Director

## Associated Stone Industries (Kotah) Ltd.

### MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion should be read in conjunction with the Company's financial statements and related notes appearing elsewhere. The discussion is not necessarily indicative of the results that the Company will achieve in future period.

### OVERVIEW & INDUSTRY OUTLOOK

Despite a slack in demand for Kotah stone during the first half of the financial year under review the Company could manage to achieve its targeted sales due to improvement in construction and infrastructure development activities during the second half of the financial year.

Company has taken advanced precautionary measures in cost cutting, quality improvement and strengthening the supervision to achieve targeted production. This could be possible due to cooperation from company's human assets, our dealers and customers.

The Demand for the Kotah stone has shown an up surging trend and is expected to be so in the years to come. Company has been actively considering the use of quarry waste for manufacturing of cement and other products and the Company has taken necessary initiatives in this regard.

### REVIEW:

Financial results for the year ended 31st March, 2010, segment wise are as under:-

(Rs. In Lacs)

Particulars	Stone	Wind	Trading	Total	
	2009-10	2009-10	2009-10	2009-10	2008-09
<b>REVENUE</b>					
Sales	9467.31	142.88	6312.44	15922.63	12657.91
Other Income	125.13	0.16	-	125.29	50.52
<b>RESULTS</b>					
Profit before Interest & Tax	1495.03	(3.89)	92.74	1583.88	1518.41
Less: Interest Expenses (Net)	(122.03)	(150.92)	-	(272.95)	(228.50)
Add/(Less):					
Prior Year Income/(Expenses)				0.77	9.62
Profit/Loss Before Tax				1311.70	1299.53
Provision for Taxation				(409.79)	(437.95)
Net Profit/ (Loss)				901.91	861.58

Due to revision in minimum wages rates by The Ministry of Labour & Employment, Govt. of India w.e.f 20.05.2009,

the employee cost (including P.F, Gratuity, Bonus & other benefits) has increased significantly during the year under review i.e .to Rs. 1993.23 lacs as compared to previous year of Rs 1418.73 Lacs.

### OPPORTUNITIES AND THREATS

There appears to be no immediate effect to the Industry. Overall market for Kotah Stone appears to be stable. However, continuous increase in the wage structure and other additives have to be counteracted through improved technology, improved productivity and optimum assets utilization.

### ENVIRONMENT

The Company strives to have better tomorrow with a cleaner & greener environment. Company has been monitoring and abiding by all the guidelines and restrictions outlined in the Environment Clearance by Ministry of Environment & Forests and strives for compliance and abiding to enviro-friendly mining techniques.

### PERFORMANCE AND REVIEW OF OPERATIONS

A thoughtful production planning has helped to achieve the production of 1395.95 lacs sq.ft.s as against previous year of 1363.67 lac sq. ft. Check on the waste generation during production has given results in improving mineral recovery. The Company is constantly improving operation for better margins. The Company had replaced D.G power utilisation in 3 locations by State Electricity Power, which helped in reduction in the cost of production.

### RISK AND CONCERNS

The Company does not foresee any risk in near future. However, changes in Government policies and slow down, if any in construction and allied industries may affect profitability of the Company.

### OUR EDGE

Company continues to maintain a record of high level and consistent relationship with its customers by offering them new product, superior quality and timely execution of supply order. Company being in the organised sector of Kotah Stone mining processing, the customers within the country and abroad always prefers this Company for their requirements.



## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a comprehensive system of internal control to safeguard the company's assets against loss from unauthorized use and ensure proper authorization of financial transactions.

## DEVELOPMENT IN HUMAN RESOURCE / INDUSTRIAL RELATIONS

As in the past, Company has been creating a healthy work environment with the cooperation of one and all attached with the Company directly or indirectly. Mutual understanding, maintaining harmonious and cordial Industrial Relationship are top priority of the Company.

## CORPORATE SOCIAL RESPONSIBILITIES

Company maintains its social commitments of providing basic living facilities like supplying drinking water not only to its employees but also to the villages surrounding the mine area. Company also provides medical facilities by holding medical camps in the mine area and also at Kotah Mariam Hospital (being Trustee of Kota Mariam Hospital), financial support for medical treatment, scholarships for meritorious children of its employees for higher education and many other social public functions organized by different religious societies.

## 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:

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company has been practicing the principle of good Corporate Governance since inception.

The Company's philosophy on Corporate Governance envisages the attainment of the high level transparency, accountability, and equity, in all facets of its operations, including the shareholders, employees, the government and lenders.

The Company believes that all its operations and actions should be devoted for enhancing corporate performance and maximising shareholders value, over a period of time.

### 2. BOARD OF DIRECTORS

#### Composition and category

The Company's Board as on date consisted of Four Non-Executive and Two Executive Directors. The details are as under:-

Name of Director	Category of Directorship	Number of Directorships held in other Companies(#)	Number of outside Committees	
			Chairman	Member
Shri. Deepak Jatia Chairman & Managing Director	Promoter/ Executive	2	-	-
Shri. S.M. Shroff	Independent/ Non-Executive	3	-	-
Shri. Padam Kumar Poddar	Independent/ Non-Executive	-	-	-
Shri. Sunil Kumar Goenka (up to 29.10.2009)	Independent/ Non-Executive	-	-	-
Shri. Pramod G. Lath	Independent/ Non-Executive	3	-	-
Shri. Tushya Jatia	Promoter/ Executive	-		
Shri. Anshul M. Sonawala (from 02.12.2009)	Independent/ Non-Executive	1		
Smt. Anita Jatia	Alternate Director to Shri.S.M. Shroff	1	-	-

(#) excludes Directorships in Indian Private Limited Companies.

## Associated Stone Industries (Kotah) Ltd.

### Attendance of each Director at the Board Meetings and the last Annual General Meeting

During the financial year ended 31st March, 2010, Ten Board Meetings were held on 14th May 2009, 23rd June 2009, 28th July 2009, 28th August 2009, 29th September 2009, 29th October 2009, 9th November 2009, 2nd December 2009, 19th December 2009 & 29th January 2010. The attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) are as under:

Name of the Director	No. of Board Meeting attended	Attendance at last AGM held on 25th September, 2009
Shri. Deepak Jatia	10	Present
Shri. Padam Kumar Poddar	10	-
Shri. S.M. Shroff	-	-
Shri. Sunil Kumar Goenka (upto 29.10.2009)	1	-
Shri. Pramod G. Lath	10	Present
Shri. Tushya Jatia	10	Present
Shri. Anshul M Sonawala (from 02.12.2009)	3	-
Smt. Anita Jatia (Alternate to Shri. S.M. Shroff)	10	-

### 3. AUDIT COMMITTEE

The Board constituted an Audit Committee of Directors comprising Members well versed in finance & accounts / legal matters and general business practices. During the Financial Year ended 31st March 2010, Six Audit Committee Meetings were held on 14th May 2009, 23rd June 2009, 28th July 2009, 29th October 2009, 9th November 2009 & 29th January 2010.

The composition of the Audit Committee and attendance at each meeting is as under:-

Name of the Director	Category	No. of Meetings Attended
Shri. Pramod G. Lath	Chairman	6
Shri. Padam Kumar Poddar	Member	6
Shri. Sunil Kumar Goenka (up to 29.10.2009)	Member	-
Shri. Anshul M Sonawala (from 02.12.2009)	Member	1

### Broad terms of reference

The terms of reference of this Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

The terms of reference of the Audit Committee include the following:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the board, focusing primarily on:
  - i) Any changes in accounting policies and practices.
  - ii) Major accounting entries based on exercise of judgement by management.
  - iii) Qualifications in draft audit report.
  - iv) Significant adjustments arising out of audit.
  - v) The going concern assumption.
  - vi) Compliance with stock exchange and legal requirements concerning financial statements.
  - vii) Compliance with accounting standards.
  - viii) Any related party transaction i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- f. Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.





- g. Reviewing the Company's financial and risk management policies.
- h. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

#### 4. REMUNERATION COMMITTEE

##### A) Composition

The Remuneration Committee of the Board of Directors comprising three Independent, Non-Executive Directors and presently consisting of Shri. Padam Kumar Poddar as Chairman, Shri Pramod G Lath and Shri Anshul M Sonawala, as Members of the Committee. Shri Sunil Kumar Goenka was also a member of the Committee up to 29.10.2009.

##### B) Terms of Reference

The Remuneration Committee has been constituted to recommend / review remuneration of the Managing Director and Executive/ Whole Time Directors.

##### C) Number of Meeting Held

During the year under review the committee met once on 02.12.2009 to recommend increase in remuneration of Shri Deepak Jatia, Chairman & Managing Director.

##### D) Remuneration Policy and Remuneration of Director

The Remuneration to Managing Director and Executive Director paid as approved by the Board of Directors on the recommendation of the Remuneration Committee. The remuneration so paid is subject to the approval of Shareholders and such authorities as may be required.

The Details of Remuneration paid / payable to the Whole Time Directors for the Financial Year 2009-10 are as under:

(Rs. In Lacs)

Name of the Director	Salary	Perquisites & Allowances	Total	Stock Option Granted(Nos)
Shri. Deepak Jatia Chairman & Managing Director	25.00	3.00	28.00	Nil
Shri. Tushya Jatia Executive Director	3.60	0.43	4.03	Nil

The Company has no pecuniary relations or transaction with its Non-Executive Directors other than payment of sitting fees to them for attending Board Meetings.

#### 5. SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE

The Board constituted an Shareholders/Investors Grievance Committee of Directors. Present constitution of the Committee is :

- 1) Shri. Sunil Kumar Goenka as Chairman (up to 29.10.2009)
- 2) Shri. Deepak Jatia as Member
- 3) Shri. Anshul M. Sonawala as Chairman (from 02.12.2009)
- 4) Shri. Pramod G . Lath as Member

Shri. Uttam Shetty, Company Secretary is the Compliance Officer of the Company.

During the Financial Year ended 31st March 2010, Committee Meetings were held on 14th May 2009, 23rd June 2009, 2nd December 2009 & on 31st March 2010.

Share Transfer Committee (sub committee to Shareholders /Investors Grievance Committee) met 10 times during the financial year 2009-2010 to facilitate speedy disposal of transfer of shares & other related matters.

There were no pending/unattended complaints as on March 31, 2010.

#### 6. GENERAL BODY MEETINGS

Location and time, where last three Annual General Meetings were held are as under:

##### I. Annual General Meeting

AGM	Date	Location of the Meeting	Time
61st AGM	14th September, 2007	Registered Office of the Company at Bazar No.1, Ramganjmandi Dist. Kota, Rajasthan	9.00 a.m.
62nd AGM	26th September, 2008	Registered Office of the Company at Bazar No.1, Ramganjmandi Dist. Kota, Rajasthan	9.00 a.m.
63rd AGM	25th September, 2009	Registered Office of the Company at Bazar No.1, Ramganjmandi Dist. Kota, Rajasthan	9.00 a.m.

## Associated Stone Industries (Kotah) Ltd.

### Special Resolutions passed during the last 3 AGMs.

63rd AGM	No Special Resolution was passed at the Annual General Meeting held on 25th September, 2009.
62nd AGM	At the Annual General Meeting held on 26th September 2008, Special Resolution was passed for appointing Mr. Tushya Jatia as Executive Director of the Company in accordance with Section 269 and all other applicable provisions of the Companies Act, 1956.
61st AGM	No Special Resolution was passed at the Annual General Meeting held on 14th September, 2007.

### II. Extra-ordinary General Meeting

Year	Date	Location of the Meeting	Time
2010	15th January, 2010	Registered Office of the Company at Bazar No.1, Ramganjmandi Dist. Kota, Rajasthan	9.00 a.m.

### Special Resolutions passed at the EOGM.

15.01.2010	One Special Resolution was passed at the EOGM held on 15th January, 2010 for alteration of article 6 of Articles of Association of the Company for incorporating the changes in the Authorised Capital of the Company, consequent upon change in Clause V of the Memorandum of Association.
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### Postal Ballot:

Two Special Resolutions were passed by postal ballot during the year 2007-08. No Special Resolutions have been put through by postal ballot by the Company during the financial year 2008-2009 and 2009-2010.

### 7. DISCLOSURES

- The Company had related party transactions which did not have potential conflict with the interest of the Company at large.
- The Company has complied with the requirement of the regulatory authorities on capital markets and no penalty / stricture have been as imposed during last three years.
- No personnel has been denied access to the Audit Committee.

- The Company has complied with the mandatory requirements of Corporate Governance Clause of Listing Agreement. Non mandatory requirements have been complied with in so far as they relate to appointment of Remuneration Committee.

### 8. MEANS OF COMMUNICATION

- The Company does not send its quarterly/half-yearly financial results to each shareholder. The quarterly/half-yearly financial results are published in newspapers. The quarterly results as well as the proceedings of the Annual General Meeting are submitted to the Bombay Stock Exchange Limited after the conclusion of the respective meeting.
- The quarterly, half-yearly and full year results are published in Business Standard (English daily) news paper (having all India editions) and in Seema Sandesh ( Hindi daily )news paper circulated in Rajasthan State, where registered office of the Company is situated.
- Management Discussion and Analysis forms part of the Annual Report.
- The Company has created dedicated email ID for Investors complaints viz:investors@asistone.com.

### 9. GENERAL SHAREHOLDER INFORMATION

#### Registered Office :

Bazar No1, Ramganjmandi 326519  
Tel : 07459 – 220116 Fax: 07459-220143

#### Annual General Meeting :

Date and Time: 27th August 2010 at 9.00 a.m.  
Venue : At the Registered Office of the Company.

#### Financial Calendar

The Company follows April – March as its financial year. The Financial results for every quarter are declared in the month following the quarter except for the quarter January – March, for which the audited financial results are declared in May as permitted under the Listing Agreement.

#### Date of Book Closure :

20th August 2010 to 27th August, 2010  
(both days inclusive)



### Dividend payment :

A Final dividend of Re.0.75 per equity share will be paid from 28th August, 2010 subject to approval by the shareholders at the Annual General Meeting.

### Listing of Equity Shares on Stock Exchange

Equity Shares of the Company are listed on Bombay Stock Exchange. Annual Listing Fees as prescribed has been paid to the Stock Exchange for the year 2010-2011.

**Stock Code :** BSE, Mumbai – 502015.  
Demat : ISIN-INE443A01022

### Stock Price Data

The monthly high and low quotations on BSE are as follows:

#### Equity share of Rs 10/- each (before sub-division)

MONTH	HIGH Rs.	LOW Rs.	MONTH	HIGH Rs.	LOW Rs.
April, 2009	40.95	28.70	October, 2009	90.05	51.00
May, 2009	49.60	36.05	November, 2009	80.60	56.50
June, 2009	51.95	43.15	December, 2009	78.40	66.15
July, 2009	47.50	37.00	January, 2010	89.00	68.20
August, 2009	55.00	41.00	February, 2010 (upto 17.02.2010)	99.95	76.90
September, 2009	65.80	44.15			

#### Equity share of Rs 5/- each (after sub-division)

MONTH	HIGH Rs.	LOW Rs.	MONTH	HIGH Rs.	LOW Rs.
February, 2010 (from 18.02.2010)	44.90	35.30	March, 2010	44.70	34.25

### Performance in comparison to BSE Sensex



Note: Equity share of Rs.10/- each sub-divided into 2 shares of Rs 5/- each w.e.f 18.02.2010, the graphical representation for the month of Feb (from 18.02.2010) & March 2010 is of Equity Share of Rs 5/- each.

### Registrar and Share Transfer Agents

Sharepro Services (India) Pvt. Ltd., , 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka Mumbai 400072. Tel: 022-67720300/67720400 Fax : 022-28591568 Email: sharepro@shareproservices.com

### Share Transfer System

The shares for transfer received in physical form are transferred expeditiously, provided the documents are complete and the shares under transfer are not under any dispute. The share certificates duly endorsed are returned immediately to shareholders. Confirmation in respect of requests for dematerialisation of shares is sent to respective depositories i.s NSDL and CDSL expeditiously.

### Distribution of shareholding as on 31st March, 2010

No. of Equity Shared held	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Upto 500	1620	65.880	319868	2.413
501 to 1000	434	17.649	349096	2.633
1001 to 2000	159	6.466	255664	1.929
2001 to 3000	58	2.359	143298	1.081
3001 to 4000	38	1.545	140474	1.060
4001 to 5000	24	0.976	112007	0.845
5001 to 10000	55	2.237	394756	2.978
10001 and above	71	2.888	11541583	87.061
<b>Grand Total</b>	<b>2459</b>	<b>100.00</b>	<b>13256746</b>	<b>100.00</b>

### Shareholding Pattern as on 31st March, 2010

Category	No. of Shares held	%
Promoters	9333140	70.40
Banks, Financial institutions	314564	2.37
Private Corporate Bodies	790073	5.96
Indian Public	2804539	21.16
NRI	14430	0.11
<b>Total</b>	<b>13256746</b>	<b>100.00</b>

### Plant Location :

<b>Mining :</b>	Ramganjmandi Dist . Kota, Rajasthan
<b>Wind Power :</b>	1) Tungavi Village, Udumalpet Taluk, Dist. Tiruppur, Tamilnadu. 2) Beladadi Village, Taluk & Dist. Gadag, Karnataka. 3) Rameshwar Village, Taluk Khatau, Dist Satara, Maharashtra.

## Associated Stone Industries (Kotah) Ltd.

### Dematerialisation of Shares

The Company's shares are available for trading in the depository systems of both the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL). Company's ISIN No is "INE443A01022." As on March 31, 2010, 27.143% of the total outstanding shares were held in dematerialised form.

The Annual custody fees for the year 2010-2011 have been paid to the Depositories as per SEBI Guideline.

### Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion date and likely impact on equity

There are no GDR/ADR/Warrants or any other convertible instruments pending conversion or any instruments likely to impact the equity share capital of the Company

### Address for Correspondence

For any assistance regarding transfer, transmissions, change of address, non-receipt of dividend and any other query relating to the shares of the Company, may please write to Registrar and Share Transfer Agents of the Company.

### 10. CHAIRMAN OF THE BOARD

Shri. Deepak Jatia is the Chairman of the Company.

### 11. SHAREHOLDER RIGHTS

As the Company's quarterly / half yearly results are published in English newspapers having circulation all over India and in Hindi newspaper widely circulated in Rajasthan, the same are not sent to each household of shareholders.

### 12. CEO/ CFO CERTIFICATION

The Chairman & Managing Director (CEO) and General Manager (Finance & Accounts) (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March, 2010.

### DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, The Board Members and the Management personnel have confirmed compliance with the Code of Conduct, for the year ended March 31, 2010.

**For Associated Stone Industries (Kotah) Limited.**

Mumbai  
15th May, 2010

**Deepak Jatia**  
Chairman & Managing Director

### Auditors' Certificate on Corporate Governance

To the Members,

#### **ASSOCIATED STONE INDUSTRIES (KOTAH) LTD.**

We have examined the compliance of conditions of Corporate Governance by Associated Stone Industries (Kotah) Ltd., for the year ended on 31st March 2010, 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 implementations thereof adopted by the Company for ensuring compliance with the conditions of the 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 based on the representations made by the Directors and the Management, we certify the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the above-mentioned Listing Agreement.

We 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 B.L.Ajmera & Co.**  
Chartered Accountants

Place: Mumbai  
Dated: 15th May, 2010

**(Sanjeev Mathur)**  
Partner  
Membership No : 75325



## **AUDITORS' REPORT**

### **TO THE MEMBERS, ASSOCIATED STONE INDUSTRIES (KOTAH) LTD.**

We have audited the attached Balance Sheet of **ASSOCIATED STONE INDUSTRIES (KOTAH) LTD.** as at March 31st, 2010 and also Profit and Loss Account and Cash Flow statement of the Company for the year ended on that date, annexed thereto. 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.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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.
2. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 of India (the Act) and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 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 Accounts, 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 & Loss Account dealt with by this report are in agreement with the books of accounts.
- (d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section 3C of section 211 of the Companies Act, 1956, to the extent applicable.
- (e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on 31st March, 2010 from being appointed as director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us the said accounts together with the notes there on and attached there to 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2010
  - ii. In case of the Profit & Loss Account, of the profit of the Company for the year ended on that date and:
  - iii. In the case of the Cash Flow Statements, of the cash flows for the year ended on that date.

**For B.L.Ajmera & Co.**  
Chartered Accountants

Place: Mumbai  
Dated: 15th May, 2010

**(Sanjeev Mathur)**  
Partner  
Membership No.75325

**ANNEXURE TO AUDITORS' REPORT**

[Referred to in paragraph 2 of the auditors' report of even date to the members of The Associated Stone Industries (Kotah) Ltd. on the accounts for the year ended 31st March 2010.]

- 1) 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 are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to such programme, a physical verification was carried out during the year and this revealed no material discrepancies.  
c) During the year, the Company has not disposed off substantial part of fixed assets.
- 2) a) The inventory lying at all location except in transit and third parties has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
c) On the basis of our examination of the records we are of the opinion that the Company is maintaining proper records of inventory.  
d) The discrepancies noticed on physical verification were not material and the same have been properly dealt with in the books of accounts.
- 3) According to the information and explanations given to us, the Company has not granted or taken any loans, secured/ unsecured to/from Companies, Firm or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- 5) a) On the basis of representation made by the management and scrutiny of books of accounts carried out by us, the information that need to be entered in the Register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.  
b) In our opinion and according to the information and explanations given to us, transactions during the year exceeding the value of five lakh rupees in respect of any party which required to be entered in the register u/s 301 of Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanations given to us the Company has complied with the directives issued by the Reserve Bank of India and the provision of Section 58A and 58AA of the Act and the Companies (Acceptance of Deposit) Rules, 1957 with regard to the deposits accepted from the public. As per information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board on the Company.
- 7) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- 8) Rule for maintenance of cost records prescribed under Section 209 (1) (d) of the Act is not applicable to the Company.
- 9) a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth tax, sales tax, customs duty, excise duty and other



material statutory dues as applicable, have been regularly deposited by the Company during the year with the appropriate authorities.

- b) As at March 31, 2010, according to the records of the Company and the information and explanations given to us, the following are the particulars of disputed dues (provided/contingent liability, as appropriate) on account of sales-tax, income-tax, custom duty, wealth-tax, service tax, excise duty and cess matters that have not been deposited on account of a dispute-

Name of the statute	Nature of the dues	Amount (Rs/ Lacs.)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Lease Payment	19.02	1951 to 1962	High Court
Sales Tax Act	Entry Tax	281.30	January 2007 to March 2010	High Court
Cess Matters	Land Tax	198.13	2006 to 2010	DIG Registration & Stamps/High Court
	Royalty	8.61	1977-78, 1990-91, 1992-93, 1993-94	Mining Dept / High Court

- 10) The Company has not incurred any cash loss during the financial year covered by our audit and the immediately preceding financial year and has no accumulated loss.
- 11) The Company has not defaulted in repayment of dues to financial Institution / Bank / Debenture holders.
- 12) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The Company is not a chit fund, nidhi of mutual benefit fund / society.
- 14) The Company is not dealing or trading in shares, securities, debentures and other investments.
- 15) The Company has not given any guarantee for loans taken by others from banks or financial institution, the terms & conditions, whereof, in our opinion, are prima facie prejudicial to the interest of the Company
- 16) According to the information and explanation given to us, term loans availed by the Company were prima

facie, applied during the year for the purposes for which the loans were obtained.

- 17) According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have prima facie, been not used during the year for long term investment and vice versa.
- 18) The Company has not made any issue of shares during the year.
- 19) The Company has not issued debenture during the year.
- 20) The Company has not made any public issue during the year.
- 21) Based upon the audit procedures performed and information and explanations given by the management, no fraud on or by the Company has been noticed or reported during the course of audit.

**for B.L.Ajmera & Co.**  
Chartered Accountants

Place: Mumbai  
Dated: 15th May, 2010

**(Sanjeev Mathur)**  
Partner  
Membership No.75325

**Associated Stone Industries (Kotah) Ltd.**

**BALANCE SHEET AS AT 31st MARCH, 2010**

(Rupees in Lacs)

	Schedule	As at	
		31.03.2010	31.03.2009
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	662.84	662.84
Reserve & Surplus	2	<u>13332.89</u>	<u>12698.78</u>
		<b>13995.73</b>	<b>13361.62</b>
<b>LOAN FUNDS</b>			
Secured	3	4780.71	3222.58
Unsecured	4	<u>895.76</u>	<u>252.87</u>
		<b>5676.47</b>	<b>3475.45</b>
<b>NET DEFERRED TAX LIABILITY</b>		<b>446.32</b>	<b>452.34</b>
(See Schedule 17, Note no.16)			
		<u><b>20118.52</b></u>	<u><b>17289.41</b></u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
	5		
Gross Block		17400.45	15833.51
Less : Depreciation		<u>2583.01</u>	<u>2581.68</u>
Net Block		14817.44	13251.83
Capital Work-in-Progress		<u>41.67</u>	<u>5.31</u>
		<b>14859.11</b>	<b>13257.14</b>
<b>INVESTMENTS</b>		<b>45.80</b>	<b>45.92</b>
<b>CURRENT ASSETS</b>			
	7		
Inventories		1716.89	1547.87
Sundry Debtors		6022.29	3547.64
Cash & Bank Balance		<u>498.61</u>	<u>326.30</u>
		<b>8237.79</b>	<b>5421.81</b>
<b>LOANS &amp; ADVANCES</b>			
	8		
		<u>2511.29</u>	<u>1899.86</u>
		<b>10749.08</b>	<b>7321.67</b>
<b>Less : CURRENT LIABILITIES &amp; PROVISIONS</b>			
	9		
		<u>5535.47</u>	<u>3335.32</u>
Net Current Assets		<u><b>5213.61</b></u>	<u><b>3986.35</b></u>
		<u><b>20118.52</b></u>	<u><b>17289.41</b></u>
Significant Accounting Policies & Notes on Accounts	17		

As per our Report of even date  
**For B.L. AJMERA & CO.**  
 Chartered Accountants

**On Behalf of the Board of Directors**

**PAVAN SONI**  
 Chief Financial Officer

**DEEPAK JATIA**  
 Chairman & Managing Director

**SANJEEV MATHUR**  
 Partner  
 Membership No. 75325

**UTTAM SHETTY**  
 Company Secretary

**TUSHYA JATIA**  
 Executive Director

Mumbai  
 15th May, 2010

Mumbai  
 15th May, 2010



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010**

(Rupees in Lacs)

	Schedule	For the year ended	
		31.03.2010	31.03.2009
<b>INCOME</b>			
Sales	10	15922.63	12657.91
Other Income	11	125.29	50.52
Increase/(Decrease) in Stock	12	150.17	540.84
		<u>16198.09</u>	<u>13249.27</u>
<b>EXPENDITURE</b>			
Production and Other Expenses	13	11516.49	9172.46
Employees Remuneration and Benefits	14	1993.23	1418.73
Administrative and General Expenses	15	698.69	777.25
Interest	16	272.95	228.50
Depreciation		405.80	362.42
		<u>14887.16</u>	<u>11959.36</u>
<b>Profit /(Loss) before Prior Year Expenses &amp; Taxation</b>		<b>1310.93</b>	<b>1289.91</b>
Prior Year Income/( Expenses)		0.77	9.62
<b>Profit before Taxation</b>		<b>1311.70</b>	<b>1299.53</b>
Provision for Taxation			
Current Tax		(394.70)	(154.69)
Fringe Benefit Tax		-	(7.64)
Deferred Tax		6.02	(246.18)
Income Tax for Earlier Years		(21.11)	(29.44)
<b>Profit &amp; Loss for the Year</b>		<b>901.91</b>	<b>861.58</b>
Add: Balance brought forward from Previous Year		1858.82	1120.30
<b>Profit Available for Appropriation</b>		<b>2760.73</b>	<b>1981.88</b>
<b>APPROPRIATIONS</b>			
Transfer to General Reserve		75.00	30.00
Interim Dividend		33.14	-
Proposed Dividend		99.43	79.54
Tax on Dividend		22.15	13.52
<b>Balance Carried to Balance Sheet</b>		<b>2531.01</b>	<b>1858.82</b>
		<u>2760.73</u>	<u>1981.88</u>
Earning Per Share ( Equity Share, Face Value Rs.5/-each) ( in Rupees)		6.80	6.50

**Significant Accounting Policies & Notes on Accounts**

17

As per our Report of even date  
**For B.L. AJMERA & CO.**  
 Chartered Accountants

**On Behalf of the Board of Directors**

**PAVAN SONI**  
 Chief Financial Officer

**DEEPAK JATIA**  
 Chairman & Managing Director

**SANJEEV MATHUR**  
 Partner  
 Membership No. 75325

**UTTAM SHETTY**  
 Company Secretary

**TUSHYA JATIA**  
 Executive Director

Mumbai  
 15th May, 2010

Mumbai  
 15th May, 2010

**Associated Stone Industries (Kotah) Ltd.**

**SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2010**

(Rupees in Lacs)

	<b>As at 31.03.2010</b>	<b>As at 31.03.2009</b>
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
200000 (Previous year 200000) Redeemable Preference Shares of Rs.100/- each	<b>200.00</b>	200.00
46000000 Equity Shares of Rs. 5/- each (Previous year 23000000 Equity Shares of Rs.10/- each)	<b>2300.00</b>	2300.00
	<b>2500.00</b>	2500.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
13256746 Equity Shares of Rs. 5/- each (Previous year 6628373 Equity Shares of Rs.10/- each)	<b>662.84</b>	662.84
	<b>662.84</b>	662.84

Notes : Of the above Equity Shares of Rs. 5/- each :

- (a) 64000 Shares have been allotted as fully paid up pursuant to a contract without payment being received in cash;
- (b) 100000 Shares have been allotted as fully paid up on conversion of 1,00,000 Deferred Shares of Rs. 5/- each; and
- (c) 7782000 Shares have been issued as fully paid Bonus Shares by capitalisation of General Reserve.

**SCHEDULE 2**

**RESERVE & SURPLUS**

(Rupees in Lacs)

	<b>Balance as on 01.04.09</b>	<b>Addition during the year</b>	<b>Deduction during the year</b>	<b>Balance as on 31.03.10</b>
General Reserve	1584.83	114.79	-	1699.62
Revaluation Reserve	9255.13	-	(152.87)	9102.26
Profit & Loss Account	1858.82	672.19	-	2531.01
	<b>12698.78</b>	<b>786.98</b>	<b>(152.87)</b>	<b>13332.89</b>



(Rupees in Lacs)

**SCHEDULE 3**

**SECURED LOANS**

**RUPEE LOAN**

**Working Capital Loans**

	As at 31.03.2010	As at 31.03.2009
1. HDFC Bank Ltd. Secured by first charge by way of hypothecation on mining & stone related business stocks, book debts etc, equitable mortgage on specific immovable property and second charge over the fixed assets of the Company.	1896.86	1466.22

**Term Loans**

2. HDFC Bank Ltd.	944.09	86.96
3. ICICI Bank Ltd.	-	20.84
4. Reliance Capital Ltd.	47.94	-
5. L & T Finance Ltd.	102.62	285.98
6. Kotak Mahindra Bank Ltd.	3.60	11.56
7. Tata Capital Limited	65.55	81.62
8. ING Vysya Bank Ltd.	-	534.40
9. IDBI Bank Limited Secured by first charge and hypothecation of assets related to windpower projects at Karnataka, Tamilnadu & Maharashtra.	1170.05	735.00
10. HDFC Bank Ltd. Secured by first equitable mortgage of specific immovable property	550.00	-
	<u>4780.71</u>	<u>3222.58</u>

Notes: 1. Security for item no 2 to 8 : Hypothecation of specified assets  
2. Security for Item Nos.1 to 10 :- Guaranteed by Director.

**SCHEDULE 4**

**UNSECURED LOANS**

**Trade Deposits and Advances**

Security Deposits	25.52	31.01
From Others		
Fixed Deposits	263.21	219.09
Others	607.03	2.77
	<u>895.76</u>	<u>252.87</u>

## Associated Stone Industries (Kotah) Ltd.

### SCHEDULE 5

#### FIXED ASSETS (AT COST)

(Rupees in Lacs)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2009	Additions during the year	Sales & Adjust- ment	As at 31.03.2010	Upto 31.03.2009	For the year	On Assets Sold & ad- justments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land	9713.15	49.16	161.02	<b>9601.29</b>	-	-	-	-	<b>9601.29</b>	9713.15
Land (Surface Right)	113.30	-	-	<b>113.30</b>	85.68	6.90	-	<b>92.58</b>	<b>20.72</b>	27.62
Buildings	239.48	743.84	3.80	<b>979.52</b>	173.71	2.99	3.16	<b>173.54</b>	<b>805.98</b>	65.77
Plant & Machinery	4191.37	489.92	273.76	<b>4407.53</b>	1578.48	217.09	260.22	<b>1535.35</b>	<b>2872.18</b>	2612.89
Dumpers	1029.49	712.03	86.07	<b>1655.45</b>	408.47	116.25	58.32	<b>466.40</b>	<b>1189.05</b>	621.02
Vehicles	484.81	180.77	129.07	<b>536.51</b>	304.91	56.43	82.63	<b>278.71</b>	<b>257.80</b>	179.90
Furniture & Fixtures	51.89	43.67	0.15	<b>95.41</b>	25.16	5.29	0.14	<b>30.31</b>	<b>65.10</b>	26.73
Office Equipments	10.02	1.42	-	<b>11.44</b>	5.27	0.85	-	<b>6.12</b>	<b>5.32</b>	4.75
	15833.51	2220.81	653.87	<b>17400.45</b>	2581.68	405.80	404.47	<b>2583.01</b>	<b>14817.44</b>	13251.83
Capital Work in Progress									<b>41.67</b>	5.31
									<b>14859.11</b>	13257.14
Previous year	14582.49	1449.33	198.31	15833.51	2352.48	362.42	133.22	<b>2581.68</b>	<b>13251.83</b>	12230.01

Note : Land value includes Rs. 9102.26 lacs (Previous year Rs.9255.13 lacs) on account of revaluation of land during the F.Y 2006-2007.

(Rupees in Lacs)

### SCHEDULE 6

#### INVESTMENTS (AT COST)

##### UNQUOTED

	As at 31.03.2010	As at 31.03.2009
100 Equity Shares of Sarvodaya Sahakari Samiti Ltd. of Rs.25 Each fully paid	<b>0.03</b>	0.03
100 Equity Shares of Oasis Cement Ltd. of Rs.10 each fully paid.	<b>0.01</b>	0.01
410000 Equity Shares of Stone Masters (India) Ltd. of Rs.10 each fully paid.	<b>41.00</b>	41.04



(Rupees in Lacs)

	As at 31.03.2010	As at 31.03.2009
<b>QUOTED</b>		
3000 Equity Shares of Akai Impex Ltd. of Rs.10 each fully paid.	0.78	0.78
1700 Equity Shares of United Agro. Ind. (India) Ltd. of Rs.10 each fully paid.	0.42	0.42
4000 Equity Shares of Ganesh Benzoplast Ltd. of Re.1/- each fully paid.	3.34	3.34
89 Equity Shares of JSW Steel Ltd. of Rs.10 each fully paid.	0.14	0.14
Nil (Previous yr. 350) Debentures of Essar Oil Ltd.Part C of Rs.105 Each partly redeemed .	-	0.11
12 Equity Shares of Reliance Industries Ltd of Rs.10 each fully paid.	0.06	0.07
5 (Previous year 3) Equity Shares of Tata Steel Limited of Rs.10 each fully paid.	0.02	0.01
Nil (Previous year 15) Pref. Shares of Tata Steel Limited of Rs.100 each fully paid.	-	0.01
	<u>4.76</u>	4.88
	<u>45.80</u>	<u>45.92</u>

Market value of quoted Investments Rs. 1.63 lacs  
(Previous year Rs.0.61 Lacs)

## SCHEDULE 7

### CURRENT ASSETS

#### Inventories

(As taken, valued and certified by management)

Stores & Spare Parts	100.94	100.57
Finished Goods	683.04	675.11
Work-In-Process	914.43	772.19
Goods in Transit	<u>18.48</u>	<u>-</u>
	<b>1716.89</b>	<b>1547.87</b>
<b>Sundry Debtors</b>		
Exceeding Six Months		
Considered Good	206.51	391.83
Considered Doubtful	59.22	67.70
Others Considered Good	<u>5815.68</u>	<u>3155.71</u>
	<u>6081.41</u>	<u>3615.24</u>
Less: Provision for Bad Debts	<u>(59.12)</u>	<u>(67.60)</u>
	<b>6022.29</b>	<b>3547.64</b>

## Associated Stone Industries (Kotah) Ltd.

(Rupees in Lacs)

	As at 31.03.2010	As at 31.03.2009
<b>Cash &amp; Bank Balance</b>		
Cash & Cheques in Hand	6.00	4.76
Balance with Scheduled Banks in Current Account		
- In Current Account	35.62	57.99
- In Fixed Deposit	<u>456.99</u>	<u>263.55</u>
(Including Rs.416.99 lacs (Previous Year Rs.211.78 lacs) pledged with the Bank & Govt. Dept. as margin money/guarantees /securities)		326.30
	<u><u>8237.79</u></u>	<u><u>5421.81</u></u>

### SCHEDULE 8

#### LOANS AND ADVANCES

(Unsecured considered good unless otherwise stated)

Advances to Employees	5.14	2.73
Interest Accrued on Advances and Deposits	7.00	11.40
Advances recoverable in cash or in kind or for value to be received		
- Considered Good	261.46	218.46
Advances against Capital Expenditure	18.35	15.32
Sundry Deposits	44.70	53.73
Advance against Purchases & Expenses	62.76	831.69
Advance Income Tax	631.25	285.16
Trade Bills	3.14	3.64
Loan to Others	<u>1477.49</u>	<u>477.73</u>
	<u><u>2511.29</u></u>	<u><u>1899.86</u></u>

### SCHEDULE 9

#### CURRENT LIABILITIES AND PROVISIONS

##### CURRENT LIABILITIES

Sundry Creditors (See Schedule 17, Note no.4)	3126.79	1708.30
Advance From Customers	342.88	323.41
Outstanding Liabilities	278.88	177.41
Duties & Taxes	520.61	390.96
Unclaimed Dividend	5.93	2.06
Interest Accrued but not due	27.99	18.10
Other Liabilities	38.15	61.56
	<u>4341.23</u>	<u>2681.80</u>

##### PROVISIONS

Provision for Taxation	726.25	310.85
Provision for Dividend & Tax	115.94	93.06
Provision Others	352.05	249.61
	<u>1194.24</u>	<u>653.52</u>
	<u><u>5535.47</u></u>	<u><u>3335.32</u></u>



**SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010**

(Rupees in Lacs)

For the year ended

	31.03.2010	31.03.2009
<b>SCHEDULE 10</b>		
<b>SALES</b>		
Stone	8266.83	7948.86
Add: Royalty Recovered	<u>1200.48</u>	<u>1134.53</u>
Wind Power	142.88	102.79
Trading	<u>6312.44</u>	<u>3471.73</u>
	<u><u>15922.63</u></u>	<u><u>12657.91</u></u>
<b>SCHEDULE 11</b>		
<b>OTHER INCOME</b>		
Dividend	0.03	0.11
Surplus on Sale of Assets	29.41	5.68
Miscellaneous Receipts	<u>95.85</u>	<u>44.73</u>
	<u><u>125.29</u></u>	<u><u>50.52</u></u>
<b>SCHEDULE 12</b>		
<b>INCREASE/(DECREASE) IN STOCK</b>		
<b>Opening Stock</b>		
Finished Goods	675.11	510.79
Work in process	<u>772.19</u>	<u>395.67</u>
	<u><u>1447.30</u></u>	<u><u>906.46</u></u>
<b>Closing Stock</b>		
Finished Goods	683.04	675.11
Work in process	<u>914.43</u>	<u>772.19</u>
	<u><u>1597.47</u></u>	<u><u>1447.30</u></u>
<b>Increase/(Decrease) in Stock</b>	<u><u>150.17</u></u>	<u><u>540.84</u></u>
<b>SCHEDULE 13</b>		
<b>PRODUCTION &amp; OTHER EXPENSES</b>		
Purchases	47.43	18.01
Trade Purchase	6193.38	3403.54
Polishing/ Job Charges	14.92	7.18
Raising & Mining Expenses	640.71	796.76
Hire Charges on Machineries	342.53	577.63
Stores & Spare Parts Consumed	277.90	374.98
Power & Fuel	2016.46	2447.25
Freight, Transport & Other Incidental Exp.	260.54	287.86
Other Manufacturing Expenses	21.85	6.68
Repairs to Plant & Machinery	120.74	91.29
Lease Rent on Machineries	368.63	-
Royalty on Stone	<u>1211.40</u>	<u>1161.28</u>
	<u><u>11516.49</u></u>	<u><u>9172.46</u></u>

## Associated Stone Industries (Kotah) Ltd.

(Rupees in Lacs)

For the year ended

	31.03.2010	31.03.2009
<b>SCHEDULE 14</b>		
<b>EMPLOYEES' REMUNERATION &amp; BENEFITS</b>		
Salaries and Wages	1259.22	950.19
Contribution to Provident & Other Funds	385.55	155.09
Bonus and Others	325.68	289.88
Employees' Welfare Expenses	22.78	23.57
	<u>1993.23</u>	<u>1418.73</u>
<b>SCHEDULE 15</b>		
<b>ADMINISTRATIVE &amp; GENERAL EXPENSES</b>		
Insurance Charges	41.92	40.94
Rent	21.50	22.29
Advertisements	7.61	3.12
Bank Charges & Commission	17.62	21.57
Travelling Expenses	47.96	28.39
Commission on Sale	201.18	163.53
Rates & Taxes	112.27	275.93
Freight Outward & Other Incidental Exp.	13.18	24.44
Repairs to Building	10.79	21.85
Repairs to Others	3.02	9.67
Charity and Donations	32.02	3.03
Auditors' Remuneration	3.31	2.76
Miscellaneous Expenses	141.35	139.10
Research & Development Exp	15.88	-
Directors' Remuneration	28.60	20.47
Directors' Fee	0.48	0.16
	<u>698.69</u>	<u>777.25</u>
<b>SCHEDULE 16</b>		
<b>INTEREST</b>		
<b>PAYMENTS</b>		
Term Loan	283.95	217.89
Working Capital Loan	152.40	99.07
Others	5.63	22.48
	<u>441.98</u>	<u>339.44</u>
Less: <b>Received</b> (including TDS Rs.18.08 lacs)		
(Previous Year Rs.22.71 lacs)	169.03	110.94
	<u>272.95</u>	<u>228.50</u>





## SCHEDULE 17

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

#### A.) Significant Accounting Policies

##### a) General

The Accounts have been prepared on historical cost convention based on the accrual concept and applicable accounting standards, as a going concern.

##### b) Revenue recognition

- i) Revenue / income and cost / expenditure are generally accounted on accrual basis as they are earned or incurred.
- ii) Dividend on investment is accounted on cash basis.

##### c) Fixed Assets & Depreciation

- i) All Fixed Assets are stated at cost of acquisition except land which had been revalued during the F.Y. 2006-2007.
- ii) Depreciation on Intangible Assets (surface right of land) has been provided on written down value method as per rates prescribed in Appendix I of Rule 5 of the Income Tax Rules, 1962.
- iii) Depreciation on Dumpers, Earth-moving machinery, and machineries of Kudayla polishing units II and depreciation on Wind Power Generating Units installed at Coimbatore Dist (Tamilnadu) , Gadag Dist. (Karnataka) & Satara Dist. (Maharashtra) has been provided on straight line method as per rate and in the manner prescribed in Schedule XIV of the Companies Act, 1956.
- iv) Depreciation on other fixed assets except as stated in (ii) & (iii) above has been provided on written down value method as per rates and in the manner prescribed in schedule XIV of the Companies Act, 1956.

##### d) Inventories

Inventories are valued at cost or market value, whichever is less.

##### e) Investments

All investments are classified as long term investments and are stated at cost.

##### f) Foreign Currency Transaction

Current assets and current liabilities, i.e. items to be received or paid in foreign currencies (other than those related to fixed assets) are stated at the amounts subsequently realised / paid. Where receipts / payments have not materialised, these assets and liabilities are accounted for at the exchange rates prevailing at the year end. Resultant gain or loss is accounted during the year.

##### g) Retirement Benefits

Retirement benefits to employees comprise payment to gratuity and provident fund under approved schemes of the Company. Annual contribution to gratuity fund is determined based on an actuarial valuation as at the balance sheet date by an independent actuary.

##### h) Impairment of Assets

Impairment loss is charged to the Profit & Loss account in the period in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognized in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

##### i) Taxation

- ❖ Provision for current tax is made on the basis of estimated tax liability as per the applicable provisions of tax laws.
- ❖ Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred tax assets are recognised to the extent there is reasonable certainty that these assets can be either realised in future or adjusted against deferred tax liability.

## Associated Stone Industries (Kotah) Ltd.

### SCHEDULE 17 (Contd.)

#### NOTES ON ACCOUNTS

(Rupees in Lacs)

For the year ended

31.03.2010 31.03.2009

#### 1 Contingent liability not provided in respect of

- |  |        |       |
|--|--------|-------|
| a. Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)            | 116.33 | 1.50  |
| b. Claims against the Company not acknowledge as debts   | 36.88  | 29.93 |
| c. Liabilities disputed for which no provision has been made in the accounts as same is contested in appeal by the Company |        |       |
| i) Income Tax  | 19.02  | 19.02 |
| ii) Royalty  | 67.37  | 67.37 |
| iii) Others  | 19.07  | 19.05 |
| d. Counter guarantees given by the Company in respect of guarantees given by the Bank to Government authorities & others   | 26.08  | 26.08 |
- 2 Company has purchased mining machinery during the year 2007-08 under EPCG scheme in respect of which the Company has a future export obligation of US\$ 27,73,526.06 (Previous year US\$28,45,486.34) to be completed over a period of 8 years from June, 2007.
- 3 During the year, the Company has sold some of the land for Rs.49.42 lacs revalued in the earlier year. The profit on sale of such assets to the extent of revalued amount Rs. 39.79 lacs has been credited to General Reserve Account and remaining surplus Rs. 1.48 lacs has been credited to Profit & Loss Account and Revaluation Reserve Account has been debited to the extent of assets revalued earlier.
- 4 Sundry creditors includes bills to the extent Rs. 2999.34 lacs (previous year Rs 997.25 lacs) accepted by IDBI Bank Ltd Jaipur under letter of credit facility granted to the Company.
- 5 Balances of Sundry Creditors, Sundry Debtors and Loans & Advances are subject to confirmation.
- 6 In absence of proper details received from the suppliers, the amount over due if any, to Micro, Small & Medium Enterprises under Micro, Small & Medium Enterprises Development Act, 2006 cannot be ascertained.

#### 7 Licenced and Installed Capacity (as certified by the Management)

	Licenced Capacity		Installed Capacity	
	2009-10	2008-09	2009-10	2008-09
Stone Polishing & Repolishing Machines (Capacity in lac sq. ft.)	N.A.	N.A.	9.98	12.60
Stone Edge Cutting Machines (Capacity in lac rft.)	N.A.	N.A.	9.60	10.80
Wind Power Machines (MW)	N.A.	N.A.	4.75	4.75

(Rs. In lacs)

#### 8 Consumption of Stores, Spare Parts & Components

	2009-2010		2008-2009	
	Value	%	Value	%
Imported	13.12	4.72%	13.66	3.64%
Indigenous	264.78	95.28%	361.32	96.36%
	<u>277.90</u>	<u>100.00%</u>	<u>374.98</u>	<u>100.00%</u>


**SCHEDULE 17 (Contd.)**

(Rupees in Lacs)

For the year ended

	31.03.2010	31.03.2009
<b>9 Captive Consumption of Raw Materials</b>		
Rough Stone Quantity (Lacs sq.ft.s)	7.71	4.91
Value (Rs. in lacs)	36.91	24.11
<b>10 Value of Imports (CIF Basis)</b>		
Stores, Spare Parts & Components	16.36	12.96
<b>11 Expenditure in Foreign Currency</b>		
Travelling	31.05	7.32
<b>12 Earning in Foreign Currency</b>		
Exports at F.O.B.Value	49.00	79.20
<b>13 Payment to Auditors</b>		
Audit Fee	2.21	1.65
Fees for Other Services	1.10	1.11
Out of Pocket Expenses	0.61	0.31
	<u>3.92</u>	<u>3.07</u>
<b>14 Directors Remuneration</b>		
a) Remuneration		
Salaries	28.60	20.47
Contribution to P.F & other Funds	3.43	2.46
	<u>32.03</u>	<u>22.93</u>
b) Directors Fee	0.48	0.16
c) No commission has been paid to the Directors', hence the computation of net profit for the purpose of Directors remuneration under section 349 of the Companies Act, 1956 has not been made. The remuneration has been paid to the Directors as per schedule XIII of the Companies Act, 1956.		

**15 Earning Per Share (Basic/Diluted)**

	2009-10	2008-09
Net Profit (After Tax) as per Profit & Loss Account available for equity shareholders (Rs. In lacs)	901.91	861.58
Equity shares for calculation of earning per share of Rs. 5/- each (nos.)	13256746	13256746
Earning per share (Rs.)	6.80	6.50

**Associated Stone Industries (Kotah) Ltd.**

**SCHEDULE 17 (Contd.)**

16 The major components of deferred tax assets and liabilities are as under :-

	As at 31st March, 2009	Tax effect for the year	(Rs.in Lakhs) As at 31st March, 2010
<b>Deferred Tax Liability</b>			
Depreciation	(616.10)	(94.34)	(710.44)
<b>Total</b>	<u>(616.10)</u>	<u>(94.34)</u>	<u>(710.44)</u>
<b>Deferred Tax Asset</b>			
Section 43B Items	80.84	124.60	205.44
Others	22.98	(3.34)	19.64
Provision for Employee Benefits	59.94	(20.90)	39.04
<b>Total</b>	<u>163.76</u>	<u>100.36</u>	<u>264.12</u>
<b>Net Deferred Asset/(Liability)</b>	<u>(452.34)</u>	<u>6.02</u>	<u>(446.32)</u>

17 Turnover, Production, Purchases, opening and Closing Stock of Goods

	Turnover		Production		Purchases		Opening Stock		Closing Stock	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Rough Stone (Lacs Sq.Fts.)	1376.06	1327.32	1395.95	1363.67	2.54	0.56	135.90	108.52	147.29	135.90
Polished Stone (Lacs Sq.Fts.)	12.12	4.52	7.41	4.72	1.21	0.46	9.69	9.24	5.86	9.69
Wind Power (Lacs units)	43.76	33.34	43.76	33.34	-	-	-	-	-	-
Value (Stone) (Rupees in Lacs)	9467.31	9083.39	-	-	47.43	18.01	607.23	425.63	641.48	607.23
Value of Wind Power (Rupees in Lacs)	142.88	102.79	-	-	-	-	-	-	-	-
Trading (Rupees in Lacs)	6312.44	3471.73	-	-	6193.38	3403.54	67.88	85.16	41.56	67.88
<b>Value (Rupees in Lacs)</b>	<b>15922.63</b>	<b>12657.91</b>	<b>-</b>	<b>-</b>	<b>6240.81</b>	<b>3421.55</b>	<b>675.11</b>	<b>510.79</b>	<b>683.04</b>	<b>675.11</b>



## SCHEDULE 17 (Contd.)

### 18 Segmental Reporting

The information pursuant to Accounting Standard 17- "Segment Reporting" issued by the Institute of Chartered Accountants of India is as under :

The key business segments of the Company are Stone, Wind Power & Trading .

(Rs.in Lacs)

#### (i) Business Segments

	Stone		Wind Power		Trading		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
<b>REVENUE</b>								
External Sales	9467.31	9083.39	142.88	102.79	6312.44	3471.73	15922.63	12657.91
Other Income	125.13	50.52	0.16	-	-	-	125.29	50.52
<b>RESULTS</b>								
Profit before Interest & Tax	1495.03	1470.42	(3.89)	(2.92)	92.74	50.91	1583.88	1518.41
Interest Expenses	291.06	191.44	150.92	148.00	-	-	441.98	339.44
Interest Income	(169.03)	(110.94)	-	-	-	-	(169.03)	(110.94)
Prior Year Expenses/(Income)	(0.77)	(9.62)	-	-	-	-	(0.77)	(9.62)
Profit/Loss Before Tax	1373.77	1399.54	(154.81)	(150.92)	92.74	50.91	1311.70	1299.53
Provision for Taxation								
Current Tax							(394.70)	(154.69)
Fringe Benefit Tax							-	(7.64)
Deferred Tax							6.02	(246.18)
Income Tax for Earlier Years							(21.11)	(29.44)
<b>Net Profit/ (Loss)</b>							<b>901.91</b>	<b>861.58</b>
Other Information								
Segment Assets (including revaluation)	20232.22	17103.89	2039.73	2160.90	3382.04	1359.93	25653.99	20624.72
Segment Liability	4411.58	3379.81	21.41	155.39	2999.34	1266.34	7432.33	4801.54
Capital Expenditure Incurred	2257.17	319.34	-	1129.99	-	-	2257.17	1449.33
Depreciation	288.26	273.62	117.54	88.80	-	-	405.80	362.42

#### (ii) Geographical Segments

The following table shows the distribution of the Company's Sales by geographical market

	2009-10	2008-09
India	15873.63	12578.71
Outside India	49.00	79.20
	<b>15922.63</b>	<b>12657.91</b>

#### Note :

Segment assets include all operating assets used by the business segment and consist principally fixed assets, debtors and inventories and segment liabilities primarily include creditors and other liabilities, as allocated by the management.

**Associated Stone Industries (Kotah) Ltd.**

**SCHEDULE 17 (Contd.)**

**19 Employee Benefits**

**(a) Plan Description.**

The Company makes annual contributions to the Gratuity fund managed by Trust.

**(b) Defined benefit plans - As per actuarial valuation on 31st March 2010**

(Rs.in Lacs)

	<b>Particulars</b>	<b>Gratuity (Funded) 31-Mar-10</b>	<b>Gratuity (Funded) 31-Mar-09</b>
<b>I</b>	<b>Change in defined benefit obligation</b>		
	Projected Benefit Obligation at the beginning of the year	493.68	484.72
	Interest cost	36.41	41.60
	Current service cost	29.61	22.22
	Benefit Paid	(77.25)	(44.96)
	Actuarial (gain)/loss on obligation	187.07	(9.90)
	Projected Benefit Obligation at the end of the year	669.52	493.68
<b>II</b>	<b>Change in Plan Assets</b>		
	Fair Value of Plan Assets at the beginning of the year.	305.54	199.53
	Expected Return on Plan Assets	26.10	21.56
	Contributions by Employers	118.59	125.00
	Benefit Paid	(77.25)	(44.96)
	Actuarial gains/(loss) on Plan Assets	5.20	4.41
	Fair value of plan assets at the end of the year	378.18	305.54
<b>III</b>	<b>Actual Return on Plan Assets</b>		
	Expected return on Plan Assets	26.10	21.56
	Actual gain/(loss) on Plan Assets	5.20	4.41
	Actual Return on Plan Assets	31.30	25.97
<b>IV</b>	<b>Amount Recognized in the Balance Sheet</b>		
	Liability at the end of the year	669.52	493.68
	Fair value of plan assets at the end of the year	378.18	305.54
	Amount Recognized in the Balance Sheet	291.34	188.14
<b>V</b>	<b>Expenses Recognized in the Statement of Profit and Loss</b>		
	Current Service Cost	29.61	22.22
	Interest Cost	36.41	41.60
	Expected return on plan assets	(26.10)	(21.56)
	Net Actuarial Gain/(Loss) to be recognized	181.86	(14.31)
	Expenses Recognized in P& L	221.78	27.95
<b>VI</b>	<b>Amount Recognized in the Balance Sheet.</b>		
	Opening net liability	188.14	285.19
	Expenses as above	221.78	27.95
	Contributions by employers/Benefits paid	(118.58)	(125.00)
	Amount Recognized in the Balance Sheet.	291.34	188.14
<b>VII</b>	<b>Actuarial Assumptions for the year</b>		
	Discount Rate	8%	9%
	Rate of Return on plan Assets	8%	9%
	Rate of Increase in Compensation Levels	3%	4%



**Associated Stone Industries (Kotah) Ltd.**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010**

(Rupees in Lacs)

For the year ended

	31.03.2010	31.03.2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Extra-ordinary items		
Adjusted for	1310.93	1289.91
Depreciation	405.80	362.42
Interest	272.95	228.50
Dividend	(0.03)	(0.11)
(Profit)/Loss on sale of fixed assets	(29.41)	(5.68)
Operating Profit before Working Capital Changes	1960.24	1875.04
Adjusted for changes in		
Trade & Other Receivables	(1741.60)	173.50
Inventories	(169.02)	(537.82)
Trade Payables	2173.26	(185.42)
Cash Generated from Operations	2222.88	1325.30
Interest Paid	(432.09)	(329.99)
Direct Taxes Paid	(325.39)	(147.30)
Earlier Year Expenses	(20.34)	(19.82)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>1445.06</b>	<b>828.19</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2260.20)	(1330.00)
Sales of Fixed Assets	165.73	62.77
Sale of Investment	0.12	0.08
Movement in Loans & Deposits	(999.76)	152.03
Interest Received	173.43	102.12
Dividend Received	0.03	0.11
<b>NET CASH USED IN INVESTMENT ACTIVITIES (B)</b>	<b>(2920.65)</b>	<b>(1012.89)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	2346.04	873.95
Repayment of Long Term Borrowings	(1174.43)	(415.79)
Short-term Loans & Deposits	604.26	(17.96)
Dividend paid	(127.97)	(75.49)
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b>1647.90</b>	<b>364.71</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENT (A+B+C)</b>	<b>172.31</b>	<b>180.01</b>
<b>OPENING BALANCE OF CASH &amp; CASH EQUIVALENT</b>	<b>326.30</b>	<b>146.29</b>
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENT</b>	<b>498.61</b>	<b>326.30</b>

On Behalf of the Board of Directors

**PAVAN SONI**  
Chief Financial Officer

**DEEPAK JATIA**  
Chairman & Managing Director

Mumbai  
15th May, 2010

**UTTAM SHETTY**  
Company Secretary

**TUSHYA JATIA**  
Executive Director





## AUDITORS' CERTIFICATE

To,  
The Board of Directors,  
M/s. **Associated Stone Industries (Kotah ) Ltd.**  
Bazar No1, Ramganjmandi -326519,  
Dist. Kota, Rajasthan.

We have examined the attached Cash Flow Statement of Associated Stone Industries (Kotah) Ltd. for the period ended 31st March 2010. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreements with Stock Exchange and is based on and in agreement with the corresponding Profit and Loss account and Balance Sheet of the Company covered by our report of 15th May,2010 to the Members of the Company.

For **B.L.Ajmera & Co.**  
Chartered Accountants

Place: Mumbai  
Dated: 15th May, 2010

**(Sanjeev Mathur)**  
Partner  
Membership No: 75325

### Balance Sheet Abstract and Company's General Business Profile

I. Registration Details			
Registration No.	L14101RJ1945PLC000283	State Code	17
Balance Sheet Date	31.03.2010		
II. Capital Raised during the year (Rupees in lacs)			
Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
III. Position of Mobilisation and Deployment of funds(Rupees in lacs)			
Total Liabilities	20118.52	Total Assets	20118.52
<b>Sources of Funds</b>			
Paid up Capital	662.84	Reserve & Surplus	13332.89
Secured Loans	4780.71	Unsecured Loans	895.76
Deffered Tax (Assets)/ Liability	446.32		
<b>Application of Funds</b>			
Net Fixed Assests	14859.11	Investments	45.80
Net Current Assets	5213.61	Misc.Expenditure	-
Accumulated Losses	NIL		
IV. Performance of Company (Rupees in lacs)			
Turnover	16198.09	Total Expenses	14887.16
Profit Before Tax	1311.70	Profit After Tax	901.91
Earning Per Share (Rs.)	6.80	Dividend Rs.(per Share)	1.00
V. Generic Names of Principal Product of the Company			
Item Code No.(ITC Code)		251690	
Product Description		Kotah Stone	

On Behalf of the Board of Directors

**PAVAN SONI**  
Chief Financial Officer

**UTTAM SHETTY**  
Company Secretary

**TUSHYA JATIA**  
Executive Director

**DEEPAK JATIA**  
Chairman & Managing Director

Mumbai  
15th May, 2010