



Associated Stone Industries (Kotah) Ltd.

Staying Brilliant With The Basics

65th
Annual Report
2010 - 2011

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 Sanwarmull 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)

S.M.MEENA G.M (Mines)

AUDITORS

M/s. B.L.AJMERA & CO.

Chartered Accountants,

M.I. Road, Jaipur -302001

BANKERS

HDFC Bank Limited

IDBI Bank Limited

REGISTERED OFFICE

ASI House,

Kudayala Industrial Area,

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

DIRECTORS' REPORT

To
The Members,
Associated Stone Industries (Kotah) Limited

The Directors have pleasure in presenting the 65th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2011:

1. FINANCIAL RESULTS:

	(Rs. in lacs)	
	2010-11	2009-10
Sales	17036.29	15922.63
Profit before Interest and Depreciation	2808.33	1989.68
Less : Interest	400.81	272.95
Depreciation	524.22	405.80
Profit for the year	1883.30	1310.93
Prior Year Income / (Expenses)	8.45	0.77
Profit before Taxation	1891.75	1311.70
Provision for Taxation		
Current Tax	(656.90)	(394.70)
Deferred Tax	24.72	6.02
Income Tax for Earlier Years	(92.17)	(21.11)
Profit after tax	1167.40	901.91
Add: Balance brought forward from the previous Year	2531.01	1858.82
Profit Available for Appropriation	3698.41	2760.73
Appropriations		
Transfer to General Reserve	125.00	75.00
Interim Dividend	-	33.14
Proposed Dividend	132.57	99.43
Tax on Dividend	21.51	22.15
Balance carried forward to Balance Sheet	3419.33	2531.01
	3698.41	2760.73

2. DIVIDEND

Your Directors are pleased to recommend a dividend of Re. 1/- (equivalent to 20%) per equity share of the face value of Rs.5/-each.

3. PERFORMANCE

For the year under review the production of Kotah Stone was 1506.19 lacs sq.ft. as against 1395.95 lacs sq. ft. in the previous year and sales were 1472.43 lacs sq.ft. as against 1376.06 lacs sq.ft. in the previous year.

During the year 2010-11 the Company has registered a turnover of Rs.17036.29 lacs (Rs. 15922.63 Lacs) and Gross Profit of Rs.2808.33 Lacs (Rs. 1989.68 Lacs).

The profit during the year 2010-11 is Rs.1883.30 Lacs as compared to Rs. 1310.93 Lacs during last year 2009-2010.

4. 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 2.50 MW 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. During last three 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 2.50 MW in Maharashtra). The proposal has been granted "Host Country Approval" by the Ministry of Environment & Forests, Government of India. The Proposal has been submitted 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 registration of the project by UNFCCC is expected in the first half of 2011-12.

5. HEALTH, SAFETY & ENVIRONMENT

In the Mining Industry health, safety & environment challenges are enormous. The Company continuously seeks to address the challenges through adoption of new technology, modernization of mining process, new ways of operating to minimize the negative environmental impacts and conserving the natural resources through efficient use.

The Company believes that maintaining a clean environment is a need of the hour and is an obligatory duty of the corporate sector. Environment does get effected post mining operations and the Company takes adequate action to restore the damages and regenerate a clean environment at workplace in mines.

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 amongst workers.

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.

6. 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.

7. 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 for 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.

8. DIRECTORS

Shri. Padam Kumar Poddar 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.

9. 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.

10. 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, 2011 was Rs 257.81 Lacs.

11. ACKNOWLEDGEMENT

Your Directors would acknowledge and place on record their sincere appreciation to all stakeholders clients, Financial Institutions, Banks, Central and State Governments, the Company's valued investors and all other business partners for their continued co-operation and excellent support received during the year.

Your Directors recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its progress.

On behalf of the Board of Directors

Mumbai
30th May, 2011

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. The Company has taken effective measures to replace D.G. Power generation by the Grid Power where available. It has improved not only the environment but also reduced the cost of production.

TECHNOLOGY ABSORPTION / RESEARCH & DEVELOPMENT

Research and Development always remained a central issue for the Company's growth and prosperity. Exhaustive tests and studies have been organized in various Govt. of India's Laboratories to probe possibilities of recycling quarry wastes accumulated in large quantity over the years.

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
30th May, 2011

Deepak Jatia
Chairman & Managing Director

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. Important developments that could affect the Company's operations include downtrend in construction/ infrastructure industry, significant changes in political and economic environment in India, Govt. policies, litigations, fuel cost, labour relations and interest costs.

OVERVIEW & INDUSTRY OUTLOOK

The demand for Kotah Stone in the country and even in the global market has shown an upward trend throughout the year and is expected to be so over the years to come. Company believes that value added products should be introduced in the market which will fetch a better price.

Company has taken advanced precautionary measures in cost cutting, quality improvement and strengthening the supervision to achieve targeted production.

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, 2011, segment wise are as under:-

(Rs. In Lacs)

Particulars	Stone	Wind Power	Trading	Total	
	2010-11	2010-11	2010-11	2010-11	2009-10
REVENUE					
Sales	11154.00	124.95	5757.34	17036.29	15922.63
Other Income	208.90	2.84	-	211.74	125.29
RESULTS					
Profit before Interest & Tax	2149.97	(21.41)	155.55	2284.11	1583.88
Less: Interest Expenses (Net)	(279.25)	(121.56)	-	(400.81)	(272.95)
Add/(Less):					
Prior Year Income/(Expenses)				8.45	0.77
Profit/Loss Before Tax				1891.75	1311.70
Provision for Taxation				(724.35)	(409.79)
Net Profit/ (Loss)				1167.40	901.91

OPPORTUNITIES AND THREATS

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

ENVIRONMENT

The Company strives to have a 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 to enviro-friendly mining techniques.

PERFORMANCE AND REVIEW OF OPERATIONS

Advanced mine planning has helped us to achieve production of 1506.19 lac Sq. ft as against 1395.95 Sq.Ft last year. Strong measures have been introduced for reduction in the waste generation, attaining higher productivity and improving mineral recovery. All these measures collectively helped the company in reduction of cost of production.

RISK AND CONCERNS

The Company does not foresee any risk in near future. However, changes in Government policies and economic slow down, environmental restrictions and other restrictions imposed on construction activities may affect the turn over and 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 products, 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 prefer this Company for their requirements.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and transactions are authorised, recorded and reported correctly. The Internal control is designed to ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets.

DEVELOPMENT IN HUMAN RESOURCE / INDUSTRIAL RELATIONS

As in the past, Company has been creating a healthy work environment with the co-operation of one and all attached with the Company directly or indirectly. Mutual understanding, maintaining harmonious and cordial Industrial Relationship is of utmost priority of the Company.

Company has maintained very harmonious and cordial industrial relations throughout the year. This has helped in the improvement of productivity and optimum utilization of company's resources including human resources.

CORPORATE SOCIAL RESPONSIBILITIES

Company continues to discharge its responsibility to the society surrounding mining activities by providing basic facilities like drinking water, medical facilities and primary education. Financial support for medical treatment and scholarship for meritorious children continues to encourage higher education amongst children of its employee. Company provides financial support for in various religious activities organized by different groups.

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 high level transparency, accountability, and equity, in all facets of its operations, including the shareholders, employees, the government and lenders.

Corporate governance at ASI is an ongoing process and the Company continuously strives to improve upon its practices in line with changing demand of the business environment.

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 composition of the Board is in conformity with the clause 49 of the Listing Agreement which stipulate that at least 50% of the Board should consist of Independent Directors, if the Chairman is an Executive Director.

The Company's Board as on date consists 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	1	-	-
Shri. S.M. Shroff	Independent/ Non Executive	3	-	-
Shri. Padam Kumar Poddar	Independent/ Non-Executive	-	-	-
Shri. Pramod G Lath	Independent/ Non-Executive	3	-	-
Shri Tushya Jatia	Promoter/ Executive	-	-	-
Shri Anshul M. Sonawala	Independent/ Non-Executive	1	-	-
Smt. Anita Jatia	Alternate Director to Shri.S.M. Shroff	-	-	-

(#) excludes Directorships in Indian Private Limited Companies.

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

During the financial year ended 31st March, 2011, Six Board Meetings were held on 15th May 2010, 6th July 2010, 27th July, 2010, 6th September 2010, 16th October 2010 & 28th January 2011. 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 27th August, 2010
Shri. Deepak Jatia	6	Present
Shri. Padam Kumar Poddar	6	-
Shri. S.M. Shroff	-	-
Shri. Pramod G. Lath	6	Present
Shri. Tushya Jatia	6	Present
Shri Anshul M Sonawala	5	-
Smt. Anita Jatia (Alternate to Shri. S.M. Shroff)	6	-

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 2011, four Audit Committee Meetings were held on 15th May 2010, 27th July, 2010, 16th October 2010 & 28th January 2011.

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	4
Shri. Padam Kumar Poddar	Member	4
Shri Anshul M Sonawala	Member	4

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 interests of the Company at large.
- d. Reviewing with the management, external and internal auditors, and 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. Discussions with external auditors before the audit commences on 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 comprises of 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.

B) Terms of Reference

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

C) Remuneration Policy and Remuneration of Director

The Remuneration to Managing Director and Executive Director is paid as approved by the Board of Directors on the recommendations 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 2010-11 are as under:

(Rs. In Lacs)

Name of the Director	Salary	Perquisites & Allowance	Total	Stock Option Granted (Nos)
Shri. Deepak Jatia Chairman & Managing Director	30.00	3.60	33.60	Nil
Shri. Tushya Jatia Executive Director	3.60	0.43	4.03	Nil

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

5. SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee of the Company comprises of three Directors. They are Shri. Anshul M Sonawala (Chairman), Shri. Pramod G . Lath and Shri. Deepak Jatia .The Company Secretary Shri. Uttam Shetty is the Compliance Officer of the Company.

During the Financial Year ended 31st March 2011, Committee Meetings were held on 27th July, 2010, 16th October, 2010, 28th January, 2011 & 14th March 2011.

The Shareholders'/Investors' Grievance Committee deals with matters related to issue of duplicate share certificates, transmission of shares, review of dematerialised / rematerialised shares, redressal of queries/ complaints received from shareholders, expeditious redressal of investors grievance matter received from SEBI, Stock Exchange and ROC and all other matter related to shares of the company.

Share Transfer Committee (sub Committee to Shareholders / Investors Grievance Committee) met 7 times during the financial year 2010-2011 to facilitate speedy disposal of transfer of shares & other related matters.

There were no pending/unattended complaints as on March 31, 2011.

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
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.
64th AGM	27th August, 2010	Registered Office of the Company at Bazar No. 1, Ramganjmandi Dist. Kota, Rajasthan	9.00 a.m.

Special Resolutions passed during the last 3 AGMs.

64th AGM	No Special Resolution was passed at the Annual General Meeting held on 27th August, 2010.
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.

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:

No Special Resolutions have been put through by postal ballot by the Company during the financial year 2010-2011.

7. DISCLOSURES

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

- i) 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.

- ii) 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.
- iii) The quarterly, half-yearly and full year results are displayed on Company's Website : asistone.com
- iv) Management Discussion and Analysis forms part of the Annual Report.
- v) The Company has created dedicated email ID for Investors complaints viz: investors@asistone.com.

9. GENERAL SHAREHOLDER INFORMATION

Registered Office :

ASI House, Kudayala Industrial Area ,
Ramganjmandi 326519, Dist. Kota (Rajasthan)
Tel : 07459 – 220116 Fax: 07459-220143

Annual General Meeting:

Date and Time: 10th August 2011 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 :
3rd August 2011 to 10th August, 2011
(Both days inclusive)

Dividend payment :

The Board of Directors at their meeting held on 30th May 2011, have recommended a dividend of Re. 1/- per equity share of Rs. 5/- each for the financial year ended 31.03.2011, for approval of shareholders of the Company

at the ensuing Annual General Meeting. If approved, the dividend will be paid to the Shareholders on or after 11th August 2011.

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 2011-2012.

Stock Code : BSE, Mumbai – 502015.

Demat : ISIN-INE 443A01022

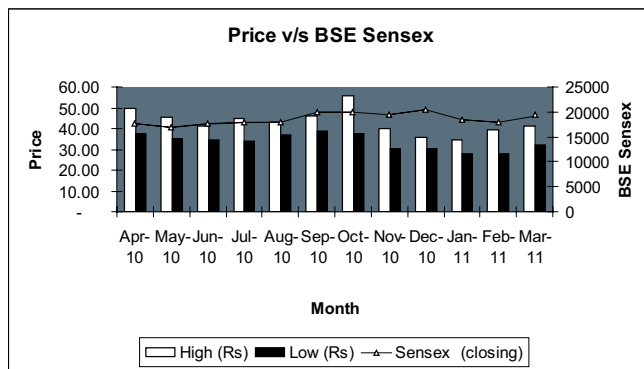
Stock Price Data

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

Equity share of Rs 5/- each

Month	High Rs.	Low Rs.	Month	High Rs.	Low Rs.
April, 2010	49.90	37.50	October, 2010	56.00	37.65
May, 2010	45.30	35.00	November, 2010	40.00	30.50
June, 2010	40.95	34.55	December, 2010	35.95	30.10
July, 2010	44.70	33.80	January, 2011	34.65	27.75
August, 2010	42.85	36.95	February, 2011	39.50	28.00
September, 2010	46.30	38.55	March, 2011	41.00	32.00

Performance in comparison to BSE Sensex



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.e NSDL and CDSL expeditiously.

Distribution of shareholding as on 31st March, 2011

No. of Equity Shares held	No. of Share holders	Percentage of Share holders	No. of Share held	Percentage of Share holding
Upto 500	1877	67.860	357147	2.694
501 to 1000	459	16.594	378546	2.855
1001 to 2000	164	5.929	268235	2.023
2001 to 3000	69	2.495	178334	1.345
3001 to 4000	38	1.374	139365	1.051
4001 to 5000	31	1.121	145545	1.098
5001 to 10000	57	2.061	415016	3.131
10001 & above	71	2.566	11374558	85.803
Grand Total	2766	100.00	13256746	100.00

Shareholding Pattern as on 31st March, 2011

Category	No. of Shares held	Percentage
Promoters	9333140	70.40
Banks, Financial institutions	-	-
Private Corporate Bodies	808264	6.10
Indian Public	3077278	23.21
NRI	38064	0.29
Total	13256746	100.00

Plant Location :

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

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, 2011, 27.609% of the total outstanding shares were held in dematerialized form.

The Annual custody fees for the year 2011-2012 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, 2011.

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, 2011.

For Associated Stone Industries (Kotah) Limited.

Mumbai
30th May, 2011

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 2011, 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
(FRN: 001100C)

Place: Mumbai
Dated: 30th May, 2011

(C. Venkatesan)
Partner
Membership No.010054

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 2011 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 and cash flow statement 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, 2011 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, 2011;
 - 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
(FRN: 001100C)

Place: Mumbai
Dated: 30th May, 2011

(C. Venkatesan)
Partner
Membership No.010054

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 2011.]

- 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, 2011, 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	295.15	January 2007 to March 2011	High Court
Cess Matters	Land Tax	224.95	2006 to 2011	DIG Registration & Stamps/High Court
	Royalty	8.61	1977-78, 1990-91, 1992-93, 1993-94	Mining Dep / 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
(FRN: 001100C)

Place: Mumbai
Dated: 30th May, 2011

(C.Venkatesan)
Partner
Membership No.010054

BALANCE SHEET AS AT 31st MARCH, 2011

	Schedule	As at 31.03.2011		(Rupees in Lacs) As at 31.03.2010	
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	662.84		662.84	
Reserve & Surplus	2	<u>14320.33</u>	14983.17	<u>13332.89</u>	13995.73
LOAN FUNDS					
Secured	3	6319.10		4780.71	
Unsecured	4	<u>368.32</u>	6687.42	<u>895.76</u>	5676.47
NET DEFERRED TAX LIABILITY					
(See Schedule 17, Note no.16)			421.60		446.32
			<u>22092.19</u>		<u>20118.52</u>
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	5	17177.97		17400.45	
Less : Depreciation		<u>2723.71</u>		<u>2583.01</u>	
Net Block		14454.26		14817.44	
Capital Work-in-Progress		<u>3107.42</u>	17561.68	<u>41.67</u>	14859.11
INVESTMENTS					
	6		41.04		45.80
CURRENT ASSETS					
Inventories	7	1843.34		1716.89	
Sundry Debtors		6385.03		6022.29	
Cash & Bank Balance		<u>505.06</u>		<u>498.61</u>	
		8733.43		8237.79	
LOANS & ADVANCES					
	8	<u>1282.78</u>		<u>2511.29</u>	
		10016.21		10749.08	
Less : CURRENT LIABILITIES & PROVISIONS					
Net Current Assets	9	<u>5542.60</u>		<u>5535.47</u>	
MISCELLANEOUS EXPENDITURE					
(to the extent of not written off or adjusted)			15.86		-
			<u>22092.19</u>		<u>20118.52</u>
Significant Accounting Policies & Notes on Accounts	17				

As per our Report of even date

On Behalf of the Board of Directors

For B.L. AJMERA & CO.Chartered Accountants
(FRN:001100C)**PAVAN SONI**
Chief Financial Officer**DEEPAK JATIA**
Chairman & Managing Director**C. VENKATESAN**Partner
Membership No. 010054**UTTAM SHETTY**
Company Secretary**TUSHYA JATIA**
Executive DirectorMumbai
30th May, 2011Mumbai
30th May, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

(Rupees in Lacs)

	Schedule	For the year ended	
		<u>31.03.2011</u>	<u>31.03.2010</u>
INCOME			
Sales	10	17036.29	15922.63
Other Income	11	211.74	125.29
Increase/(Decrease) in Stock	12	107.11	150.17
		<u>17355.14</u>	<u>16198.09</u>
EXPENDITURE			
Production and Other Expenses	13	11595.25	11516.49
Employees Remuneration and Benefits	14	2173.17	1993.23
Administrative and General Expenses	15	778.39	698.69
Interest	16	400.81	272.95
Depreciation		524.22	405.80
		<u>15471.84</u>	<u>14887.16</u>
Profit /(Loss) before Prior Year Expenses & Taxation		<u>1883.30</u>	<u>1310.93</u>
Prior Year Income/(Expenses)		8.45	0.77
Profit before Taxation		<u>1891.75</u>	<u>1311.70</u>
Provision for Taxation			
Current Tax		(656.90)	(394.70)
Deferred Tax		24.72	6.02
Income Tax for Earlier Years		(92.17)	(21.11)
		<u>1167.40</u>	<u>901.91</u>
Profit & Loss for the Year		<u>1167.40</u>	<u>901.91</u>
Add: Balance brought forward from Previous Year		2531.01	1858.82
Profit Available for Appropriation		<u>3698.41</u>	<u>2760.73</u>
APPROPRIATIONS			
Transfer to General Reserve		125.00	75.00
Interim Dividend		-	33.14
Proposed Dividend		132.57	99.43
Tax on Dividend		21.51	22.15
Balance Carried to Balance Sheet		<u>3419.33</u>	<u>2531.01</u>
		<u>3698.41</u>	<u>2760.73</u>
Earning Per Share (Equity Share, Face Value Rs.5/-each) (in Rupees)		8.81	6.80

Significant Accounting Policies

& Notes on Accounts

17

As per our Report of even date

On Behalf of the Board of Directors

For B.L. AJMERA & CO.

Chartered Accountants
(FRN:001100C)

PAVAN SONI
Chief Financial Officer

DEEPAK JATIA
Chairman & Managing Director

C. VENKATESAN

Partner
Membership No. 010054

UTTAM SHETTY
Company Secretary

TUSHYA JATIA
Executive Director

Mumbai
30th May, 2011

Mumbai
30th May, 2011

SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2011

		As at 31.03.2011	(Rupees in Lacs) As at 31.03.2010
SCHEDULE 1			
SHARE CAPITAL			
AUTHORISED			
200000	(Previous year 200000) Redeemable Preference Shares of Rs.100 each	200.00	200.00
46000000	Equity Shares of Rs. 5/- each (Previous year 46000000 Equity Shares of Rs.5/- each)	2300.00	2300.00
		<u>2500.00</u>	<u>2500.00</u>
ISSUED, SUBSCRIBED AND PAID UP			
13256746	Equity Shares of Rs. 5/- each (Previous year 13256746 Equity Shares of Rs.5/- each)	662.84	662.84
		<u>662.84</u>	<u>662.84</u>

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**

	Balance as on 01.04.10	Addition during the year	Deduction during the year	(Rupees in Lacs) Balance as on 31.03.11
General Reserve	1699.62	145.35	-	1844.97
Revaluation Reserve	9102.26	-	(46.23)	9056.03
Profit & Loss Account	2531.01	888.32	-	3419.33
	<u>13332.89</u>	<u>1033.67</u>	<u>(46.23)</u>	<u>14320.33</u>

(Rupees in Lacs)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 3		
SECURED LOANS		
RUPEE LOAN		
Working Capital Loans		
1. HDFC Bank Ltd. Secured by first charge by way of hypothecation on mining & stone related business stocks, book debts etc. and equitable mortgage on specific immovable property and second charge over the fixed assets of the Company.	2282.82	1896.86
Term Loans		
2. HDFC Bank Ltd.	734.87	944.09
3. Reliance Capital Ltd.	30.11	47.94
4. L & T Finance Ltd.	-	102.62
5. Kotak Mahindra Bank Ltd.	-	3.60
6. Tata Capital Limited	98.46	65.55
7. IDBI Bank Limited Secured by first charge and hypothecation of assets related to windpower projects at Karnataka, Tamilnadu & Maharashtra.	881.71	1170.05
8. HDFC Bank Ltd Secured by first equitable mortgage of specific immovable property	449.13	550.00
9. IDBI Bank Limited Secured by first equitable mortgage of specific immovable property	1842.00	-
	<u>6319.10</u>	<u>4780.71</u>

Notes: 1. Security for item no 2 to 6 : Hypothecation of specified assets

2. Security for Item Nos.1 to 9 :- Guaranteed by Directors.

SCHEDULE 4

UNSECURED LOANS

Trade Deposits and Advances

Security Deposits

28.59

25.52

From Others

Fixed Deposits

257.81

263.21

Others

81.92

607.03

368.32

895.76

SCHEDULE 5

FIXED ASSETS (AT COST)

(Rupees in Lacs)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2010	Additions during the year	Sales & Adjust- ment	As at 31.03.2011	Upto 31.03.2010	For the year	On Assets Sold & ad- justments	Upto 31.03.2011	As at 31.3.2011	As at 31.03.2010
Land	9601.29	151.51	89.45	9663.35	-	-	-	-	9663.35	9601.29
Land (Surface Right)	113.30	0.17	-	113.47	92.58	5.18	-	97.76	15.71	20.72
Buildings	979.52	12.00	1.29	990.23	173.54	40.26	0.96	212.84	777.39	805.98
Plant & Machinery	4407.53	64.56	167.83	4304.26	1535.35	256.37	156.13	1635.59	2668.67	2872.18
Dumpers	1655.45	-	206.50	1448.95	466.40	134.57	192.52	408.45	1040.50	1189.05
Vehicles	536.51	55.65	41.26	550.90	278.71	75.28	33.77	320.22	230.68	257.80
Furniture & Fixtures	95.41	0.09	0.13	95.37	30.31	11.82	0.14	41.99	53.38	65.10
Office Equipments	11.44	-	-	11.44	6.12	0.74	-	6.86	4.58	5.32
	17400.45	283.98	506.46	17177.97	2583.01	524.22	383.52	2723.71	14454.26	14817.44
Capital Work in Progress									3107.42	41.67
									17561.68	14859.11
Previous year	15833.51	2220.81	653.87	17400.45	2581.68	405.80	404.47	2583.01	14817.44	13251.83

Note : Land value includes Rs. 9056.03 lacs (Pr. year Rs.9102.26 Lacs) on account of revaluation of land during the F.Y 2006-2007.

(Rupees in Lacs)

SCHEDULE 6

INVESTMENTS (AT COST)

UNQUOTED

	As at 31.03.2011	As at 31.03.2010
100 Equity Shares of Sarvodaya Sahakari Samiti Ltd. of Rs. 25 each fully paid	0.03	0.03
100 Equity Shares of Oasis Cement Ltd. of Rs.10 each fully paid.	0.01	0.01
410000 Equity Shares of Stone Masters (India) Ltd. of Rs.10 each fully paid.	41.00	41.04
	41.04	41.04

(Rupees in Lacs)

	As at 31.03.2011	As at 31.03.2010
QUOTED		
Nil (Previous year 3000) Equity Shares of Akai Impex Ltd. of Rs.10 each fully paid.	-	0.78
Nil (Previous year 1700) Equity Shares of United Agro. Ind. (India) Ltd. of Rs.10 each fully paid	-	0.42
Nil (Previous year 4000) Equity Shares of Ganesh Benzoplast Ltd. of Re.1/- each fully paid	-	3.34
Nil (Previous year 89) Equity Shares of JSW Steel Ltd. of Rs.10 each fully paid	-	0.14
Nil (Previous year 12) Equity Shares of Reliance Industries Ltd. of Rs.10 each fully paid.	-	0.06
Nil (Previous year 5) Equity Shares of Tata Steel Limited of Rs.10 each fully paid.	-	0.02
	<u>41.04</u>	<u>45.80</u>

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

SCHEDULE 7

CURRENT ASSETS

Inventories

(As taken, valued and certified by management)

Stores & Spare Parts	137.98	100.94
Finished Goods	957.04	683.04
Work-In-Process	747.54	914.43
Goods in Transit	0.78	18.48
	<u>1843.34</u>	<u>1716.89</u>

Sundry Debtors

Exceeding Six Months		
- Considered Good	259.95	206.51
- Considered Doubtful	59.43	59.22
Others Considered Good	6124.60	5815.68
	<u>6443.98</u>	<u>6081.41</u>
Less: Provision for Bad Debts	(58.95)	(59.12)
	<u>6385.03</u>	<u>6022.29</u>

Cash & Bank Balance

Cash & Cheques in hand	9.66	6.00
Balance with Scheduled Banks in Current Account		
- In Current Account	54.42	35.62
- In Fixed Deposit	440.98	456.99
(Including Rs.400.98 lacs (Previous Year Rs.416.99 lacs) pledged with the Bank & Govt. Dept. as margin money/ guarantees / securities)	<u>505.06</u>	<u>498.61</u>
	<u>8733.43</u>	<u>8237.79</u>

(Rupees in Lacs)

SCHEDULE 8

LOANS AND ADVANCES

(Unsecured considered good unless otherwise stated)

	As at <u>31.03.2011</u>	As at <u>31.03.2010</u>
Advances to Employees	5.63	5.14
Interest Accrued on Advances and Deposits	7.31	7.00
Advances recoverable in cash or in kind or for value to be received - Considered Good	152.08	261.46
Advances against Capital Expenditure	25.03	18.35
Sundry Deposits	54.03	44.70
Advance against Purchases & Expenses	105.81	62.76
Advance Income Tax	859.48	631.25
Trade Bills	1.89	3.14
Loan to Others	71.52	1477.49
	<u>1282.78</u>	<u>2511.29</u>

SCHEDULE 9

CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES

Sundry Creditors (See Schedule 17, Note no.4)	2945.92	3126.79
Advance From Customers	398.62	342.88
Outstanding Liabilities	316.53	278.88
Duties & Taxes	582.88	520.61
Unclaimed Dividend	8.79	5.93
Interest Accrued but not due	24.71	27.99
Other Liabilities	29.06	38.15
	<u>4306.51</u>	<u>4341.23</u>

PROVISIONS

Provision for Taxation	830.70	726.25
Provision for Dividend & Tax	154.07	115.94
Provision Others	251.32	352.05
	<u>1236.09</u>	<u>1194.24</u>
	<u>5542.60</u>	<u>5535.47</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31st MARCH, 2011**

(Rupees in Lacs)

For the year ended

	<u>31.03.2011</u>	<u>31.03.2010</u>
SCHEDULE 10		
SALES		
Stone	9760.23	8266.83
Add: Royalty Recovered	<u>1393.77</u>	<u>1200.48</u>
Wind Power	124.95	142.88
Trading	<u>5757.34</u>	<u>6312.44</u>
	<u>17036.29</u>	<u>15922.63</u>
SCHEDULE 11		
OTHER INCOME		
Dividend	0.08	0.03
Surplus on Sale of Assets	40.08	29.41
Miscellaneous Receipts	<u>171.58</u>	<u>95.85</u>
	<u>211.74</u>	<u>125.29</u>
SCHEDULE 12		
INCREASE/(DECREASE) IN STOCK		
Opening Stock		
Finished Goods	683.04	675.11
Work in process	<u>914.43</u>	<u>772.19</u>
	<u>1597.47</u>	<u>1447.30</u>
Closing Stock		
Finished Goods	957.04	683.04
Work in process	<u>747.54</u>	<u>914.43</u>
	<u>1704.58</u>	<u>1597.47</u>
Increase/(Decrease) in Stock	<u>107.11</u>	<u>150.17</u>
SCHEDULE 13		
PRODUCTION & OTHER EXPENSES		
Purchases	57.06	47.43
Trade Purchase	5595.19	6193.38
Polishing/ Job Charges	25.37	14.92
Raising & Mining Expenses	574.93	640.71
Stores & Spare Parts Consumed	291.26	277.90
Power & Fuel	2623.63	2016.46
Freight,Transport & Other Incidental Exp.	300.24	223.77
Other Manufacturing Expenses	295.57	401.15
Repairs to Plant & Machinery	131.50	120.74
Lease Rent on Machineries	290.33	368.63
Royalty on Stone	<u>1410.17</u>	<u>1211.40</u>
	<u>11595.25</u>	<u>11516.49</u>

For the year ended

SCHEDULE 14

EMPLOYEES' REMUNERATION & BENEFITS

	31.03.2011	31.03.2010
Salaries and Wages	1379.96	1250.86
Contribution to Provident & Other Funds	319.69	373.43
Bonus and Others	454.05	346.16
Employees' Welfare Expenses	19.47	22.78
	<u>2173.17</u>	<u>1993.23</u>

SCHEDULE 15

ADMINISTRATIVE & GENERAL EXPENSES

Insurance Charges	43.99	41.92
Rent	71.18	21.50
Advertisements	7.07	7.61
Bank Charges & Commission	8.82	17.62
Travelling Expenses	31.27	47.96
Commission on Sale	195.48	201.18
Rates & Taxes	126.13	112.27
Freight Outward & Other Incidental Exp.	19.35	13.18
Repairs to Building	30.37	10.79
Repairs to Others	4.05	3.02
Charity and Donations	0.25	32.02
Auditors' Remuneration	3.31	3.31
Miscellaneous Expenses	164.54	112.15
Legal & Professional Fee	35.07	29.20
Research & Development Exp	-	15.88
Directors' Remuneration	33.60	28.60
Loss on Sale of Investment	3.57	-
Directors' Fee	0.34	0.48
	<u>778.39</u>	<u>698.69</u>

SCHEDULE 16

INTEREST

PAYMENTS

Term Loan	291.75	283.95
Working Capital Loan	184.06	152.40
Others	41.97	5.63
	<u>517.78</u>	<u>441.98</u>

Less: **Received** (including TDS Rs.11.03 lacs)
(Previous Year Rs.18.08 lacs)

116.97	169.03
<u>400.81</u>	<u>272.95</u>

SCHEDULE 17**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011 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.

SCHEDULE 17 : (Contd.)

B) NOTES ON ACCOUNTS

(Rupees in Lacs)

For the year ended

	31.03.2011	31.03.2010
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)	498.10	116.33
b. Claims against the Company not acknowledge as debts	59.39	36.88
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	111.09	19.07
d. Counter guarantees given by the Company in respect of guarantees given by the Bank to Government authorities & others	25.48	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\$ 25,63,925.39 (Previous year US\$ 27,63,388.82) 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.25.76 lacs revalued in the earlier year. The profit on sale of such assets to the extent of revalued amount Rs. 20.35 lacs has been credited to General Reserve Account and the Revaluation Reserve Account has been debited to the extent of assets revalued earlier.

4 Sundry creditors includes bills to the extent Rs. 2908.52 lacs (previous year Rs 2999.34 lacs) accepted by IDBI Bank Ltd., Jaipur under letter of credit facility granted to the Company.

5 During year under the review, the Company has incurred expenditure of Rs.15.86 lacs towards feasibility study for setting up of new venture and same has been debited to pre-operative expenses and shown under the head Misc. Expenditure (Assets).

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)

	<u>Licenced Capacity</u>		<u>Installed Capacity</u>	
	<u>2010-11</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2009-10</u>
Stone Polishing & Repolishing Machines (Capacity in lac sq. ft.)	N.A.	N.A.	10.65	9.98
Stone Edge Cutting Machines (Capacity in lac rft.)	N.A.	N.A.	9.60	9.60
Wind Power Machines (MW)	N.A.	N.A.	4.75	4.75

(Rs. In lacs)

8 Consumption of Stores, Spare Parts & Components

	<u>2010 -11</u>		<u>2009 -10</u>	
	<u>Value</u>	<u>%</u>	<u>Value</u>	<u>%</u>
Imported	13.80	4.74%	13.12	4.72%
Indigenous	277.46	95.26%	264.78	95.28%
	<u>291.26</u>	<u>100.00%</u>	<u>277.90</u>	<u>100.00%</u>

SCHEDULE 17 : (Contd.)

(Rupees in Lacs)

For the year ended

	<u>2010-11</u>	<u>2009-10</u>
9 Captive Consumption of Raw Materials		
Rough Stone Quantity (Lacs sq.fts)	10.61	7.71
Value (Rs. in lacs)	57.52	36.91
10 Value of Imports (CIF Basis)		
Stores, Spare Parts & Components	15.32	16.36
11 Expenditure in Foreign Currency		
Travelling	8.40	31.05
12 Earning in Foreign Currency		
Exports at F.O.B. Value	71.78	49.00
13 Payment to Auditors		
Audit Fee	2.21	2.21
Fees for Other Services	1.10	1.10
Out of Pocket Expenses	1.44	0.61
	<u>4.75</u>	<u>3.92</u>
14 Directors Remuneration		
a) Remuneration		
Salaries	33.60	28.60
Contribution to PF & other Funds	4.03	3.43
	<u>37.63</u>	<u>32.03</u>
b) Directors Fee	0.34	0.48

- 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)

	2010-11	2009-10
Net Profit (After Tax) as per Profit & Loss Account available for equity shareholders (Rs. In lacs)	1167.40	901.91
Equity shares for calculation of earning per share of Rs. 5/- each (nos.)	13256746	13256746
Earning per share (Rs.)	8.81	6.80

SCHEDULE 17 : (Contd.)

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

	As at 31st March, 2010	Tax effect for the year	(Rupees in Lacs) As at 31st March, 2011
Deferred Tax Liability			
Depreciation	(710.44)	14.00	(696.44)
Total	<u>(710.44)</u>	<u>14.00</u>	<u>(696.44)</u>
Deferred Tax Asset			
Section 43B Items	205.44	31.21	236.65
Others	19.64	(0.52)	19.12
Provision for Employee Benefits	39.04	(19.97)	9.07
Total	<u>264.12</u>	<u>10.72</u>	<u>274.84</u>
Net Deferred Asset/(Liability)	<u>(446.32)</u>	<u>24.72</u>	<u>(421.60)</u>

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

	Turnover		Production		Purchases		Opening Stock		Closing Stock	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Rough Stone (Lacs Sq.Fts.)	1472.43	1376.06	1506.19	1395.95	1.24	2.54	147.29	135.90	168.16	147.29
Polished Stone (Lacs Sq.Fts.)	12.63	12.12	10.20	7.41	2.10	1.21	5.86	9.69	5.07	5.86
Wind Power (Lacs units)	41.35	43.76	41.35	43.76	-	-	-	-	-	-
Value (Stone) (Rupees in Lacs)	11154.00	9467.31	-	-	57.06	47.43	641.48	607.23	922.08	641.48
Value of Wind Power (Rupees in Lacs)	124.95	142.88	-	-	-	-	-	-	-	-
Trading (Rupees in Lacs)	5757.34	6312.44	-	-	5595.19	6193.38	41.56	67.88	34.96	41.56
Value (Rupees in Lacs)	<u>17036.29</u>	<u>15922.63</u>	<u>-</u>	<u>-</u>	<u>5652.25</u>	<u>6240.81</u>	<u>683.04</u>	<u>675.11</u>	<u>957.04</u>	<u>683.04</u>

SCHEDULE 17 : (Contd.)
18 Segmental Reporting

(Rupees in Lacs)

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 .

(i) Business Segments

	Stone		Wind Power		Trading		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
REVENUE								
External Sales	11154.00	9467.31	124.95	142.88	5757.34	6312.44	17036.29	15922.63
Other Income	208.90	125.13	2.84	0.16	-	-	211.74	125.29
RESULTS								
Profit before Interest & Tax	2149.97	1495.03	(21.41)	(3.89)	155.55	92.74	2284.11	1583.88
Interest Expenses	396.22	291.06	121.56	150.92	-	-	517.78	441.98
Interest Income	(116.97)	(169.03)	-	-	-	-	(116.97)	(169.03)
Prior Year Expenses/(Income)	(8.45)	(0.77)	-	-	-	-	(8.45)	(0.77)
Profit/Loss Before Tax	1879.17	1373.77	(142.97)	(154.81)	155.55	92.74	1891.75	1311.70
Provision for Taxation								
Current Tax							(656.90)	(394.70)
Deferred Tax							24.72	6.02
Income tax for Earlier Years							(92.17)	(21.11)
Net Profit/ (Loss)							1167.40	901.91
<u>Other Information</u>								
Segment Assets	22604.54	20232.22	1949.77	2039.73	3080.48	3382.04	27634.79	25653.99
(including revaluation)								
Segment Liability	4893.88	4411.58	23.02	21.41	2908.52	2999.34	7825.42	7432.33
Capital Expenditure Incurred	3349.73	2257.17	-	-	-	-	3349.73	2257.17
Depreciation	406.68	288.26	117.54	117.54	-	-	524.22	405.80

(ii) Geographical Segments

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

	2010-11	2009-10
India	16964.51	15873.63
Outside India	71.78	49.00
	17036.29	15922.63

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.

SCHEDULE 17 : Contd.

19 **Employee Benefits** (Rupees in Lacs)

(a) Plan Description.

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

(b) Defined benefit plans / compensated absences - As per actuarial valuation on 31st March 2011

	Particulars	Gratuity (Funded) 31-Mar-11	Gratuity (Funded) 31-Mar-10
I	Change in defined benefit obligation		
	Projected Benefit Obligation at the beginning of the year	669.52	493.68
	Interest cost	57.61	36.41
	Current service cost	32.73	29.61
	Benefit Paid	(58.75)	(77.25)
	Actuarial (gain)/loss on obligation	89.52	187.07
	Projected Benefit Obligation at the end of the year	790.63	669.52
II	Change in Plan Assets		
	Fair Value of Plan Assets at the beginning of the year.	378.18	305.54
	Expected Return on Plan Assets	37.21	26.10
	Contributions by Employers	232.56	118.59
	Benefit Paid	(58.75)	(77.25)
	Actuarial gains/(loss) on Plan Assets	(0.01)	5.20
	Fair value of plan assets at the end of the year	589.19	378.18
III	Actual Return on Plan Assets		
	Expected return on Plan Assets	37.21	26.10
	Actual gain/(loss) on Plan Assets	(0.01)	5.20
	Actual Return on Plan Assets	37.20	31.30
IV	Amount Recognized in the Balance Sheet		
	Liability at the end of the year	790.63	669.52
	Fair value of plan assets at the end of the year	589.19	378.18
	Amount Recognized in the Balance Sheet	201.44	291.34
V	Expenses Recognized in the Statement of Profit and Loss		
	Current Service Cost	32.73	29.61
	Interest Cost	57.61	36.41
	Expected return on plan assets	(37.21)	(26.10)
	Net Actuarial Gain/(Loss) to be recognized	89.53	181.86
	Expenses Recognized in P& L	142.66	221.78
VI	Amount Recognized in the Balance Sheet.		
	Opening net liability	291.34	188.14
	Expenses as above	142.66	221.78
	Contributions by employers/Benefits paid	(232.56)	(118.58)
	Amount Recognized in the Balance Sheet.	201.44	291.34
VII	Actuarial Assumptions for the year		
	Discount Rate	9%	8%
	Rate of Return on plan Assets	8%	8%
	Rate of Increase in Compensation Levels	3%	3%

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

(Rupees in Lacs)

For the year ended

	<u>31.03.2011</u>		<u>31.03.2010</u>
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax and Extra-ordinary items			
Adjusted for	1883.30		1310.93
Depreciation	524.22	405.80	
Interest	400.81	272.95	
Dividend	(0.08)	(0.03)	
(Profit)/Loss on Sale of Fixed Assets	(40.08)	(29.41)	
Loss on Sale of Investments	3.57		649.31
Operating Profit before Working Capital Changes	2771.74		1960.24
Adjusted for changes in			
Trade & Other Receivables	(320.84)	(1741.60)	
Inventories	(126.45)	(169.02)	
Trade Payables	254.00	2173.26	262.64
Cash Generated from Operations	2578.45		2222.88
Interest Paid	(521.06)		(432.09)
Direct Taxes Paid	(780.68)		(325.39)
Earlier Year Expenses	(83.72)		(20.34)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	<u>1192.99</u>		<u>1445.06</u>
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(3356.41)		(2260.20)
Sales of Fixed Assets	137.14		165.73
Sale of Investment	1.19		0.12
Movement in Loans & Deposits	1405.97		(999.76)
Interest Received	116.66		173.43
Dividend Received	0.08		0.03
NET CASH USED IN INVESTMENT ACTIVITIES (B)	<u>(1695.37)</u>		<u>(2920.65)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Long Term Borrowings	2020.00		2346.04
Repayment of Long Term Borrowings	(872.97)		(1174.43)
Short-term Loans & Deposits	(525.11)		604.26
Dividend paid	(113.09)		(127.97)
NET CASH FROM FINANCING ACTIVITIES (C)	<u>508.83</u>		<u>1647.90</u>
NET INCREASE IN CASH & CASH EQUIVALENT (A+B+C)	<u>6.45</u>		<u>172.31</u>
OPENING BALANCE OF CASH & CASH EQUIVALENT	498.61		326.30
CLOSING BALANCE OF CASH & CASH EQUIVALENT	505.06		498.61

On Behalf of the Board of Directors

PAVAN SONI
Chief Financial Officer

DEEPAK JATIA
Chairman & Managing Director

Mumbai
30th May, 2011

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 2011. 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 30th May, 2011 to the Members of the Company.

For B.L.Ajmera & Co.
Chartered Accountants
(FRN:001100C)

Place: Mumbai
Dated: 30th May, 2011

(C. Venkatesan)
Partner
Membership No.010054

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details			
Registration No.	283	State Code	17
Balance Sheet Date	31.03.2011		
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	22092.19	Total Assets	22092.19
Sources of Funds			
Paid up Capital	662.84	Reserve & Surplus	14320.33
Secured Loans	6319.10	Unsecured Loans	368.32
Deffered Tax (Assets)/ Liability	421.60		
Application of Funds			
Net Fixed Assests	17561.68	Investments	41.04
Net Current Assets	4473.61	Misc.Expenditure	15.86
Accumulated Losses	-		
IV. Performance of Company (Rupees in lacs)			
Turnover	17355.14	Total Expenses	15471.84
Profit Before Tax	1891.75	Profit After Tax	1167.40
Earning Per Share (Rs.)	8.81	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
30th May, 2011