



Associated Stone Industries (Kotah) Ltd.

Building from a Solid Foundation

**68th Annual Report
2013-2014**

Associated Stone Industries (Kotah) Ltd.

BOARD OF DIRECTORS

DEEPAK JATIA, Chairman & Managing Director

TUSHYA JATIA, Executive Director

PADAM KUMAR PODDAR (Upto 05-08-2014)

PRAMOD G. LATH

ANSHUL M. SONAWALA

SANJAY SEKSARIA (w.e.f. 05-08-2014)

ANITA JATIA (w.e.f. 05-08-2014)

COMPANY SECRETARY

UTTAM SHETTY

MANAGEMENT EXECUTIVES

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

WORKS

Kudayala Industrial Area,
Ramganjmandi - 326519
Dist. Kota, Rajasthan

REGISTERED OFFICE

Marathon Innova, A Wing, 7th Floor,
Off Ganpatrao Kadam Marg,
Lower Parel, Mumbai - 400013

NOTICE

NOTICE is hereby given that the 68th Annual General Meeting of the members of **Associated Stone Industries (Kotah) Limited** will be held at 419-B, Kalbadevi Road, Joshiwadi, 2nd Floor, Mumbai 400002, on Friday, the 26th September, 2014 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2014 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the financial year ended on 31st March, 2014.
3. To appoint a Director in place of Shri. Tushya Jatia (DIN: 02228722), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT M/s. B. L. Ajmera & Company, Chartered Accountants (Firm Registration Number: 001100C) be and is hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Smt. Anita Jatia (DIN: 01068774) who was appointed as an Additional Director by the Board of Directors with effect from 5th August 2014 and who was in terms of Section 161 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) holds office up to the date of this Annual General Meeting and in respect of whom the Company has received notice in writing from a member under section 160 of the Companies Act, 2013 proposing her candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of Listing Agreement (including any statutory modifications(s) or re-enactment thereof for the time being in force), Shri. Pramod G. Lath (DIN: 00172170) Director of the Company in respect of whom the Company has received notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of the Director, be and is

hereby appointed as an Independent Director to hold office up to 5 (five) consecutive years up to 31st March 2019.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of Listing Agreement (including any statutory modifications(s) or re-enactment thereof for the time being in force), Shri. Anshul M. Sonawala (DIN:00133376) Director of the Company in respect of whom the Company has received notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director to hold office up to 5(five) consecutive years up to 31st March, 2019.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

RESOLVED THAT Shri Sanjay Seksaria (DIN: 00111096) who was appointed as an Additional Director by the Board of Directors of the Company with effective from 5th August 2014, pursuant to section 149, 152, Schedule IV and other applicable Provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of Listing Agreement (including any statutory modifications(s) or re-enactment thereof for the time being in force), in respect of whom the Company has received notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to 31st March, 2019.”

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

RESOLVED THAT in supersession of the Ordinary Resolution passed under section 293 (1) (d) of the Companies Act, 1956 at the 47th Annual General Meeting held on 18th September, 1993 and pursuant to the provisions of Section 180 (1) (c) and all other applicable provisions, if any of the Companies Act, 2013 (including Statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow such sum or sums of monies in any manner from time to time as may be required for the purpose of business of the Company, with or without security and upon such terms and conditions as they may think fit, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any

Associated Stone Industries (Kotah) Ltd.

specific purpose, provided that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed Rs. 500 Crore (Rupees Five Hundred Crore) over and above the paid-up capital of the Company and its free reserves.”

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

“**RESOLVED THAT** in supersession of the Ordinary Resolution passed under section 293 (1) (a) of the Companies Act, 1956 at the 49th Annual General Meeting held on 12th August, 1995 and pursuant to the provisions of Section 180 (1) (a) and all other applicable provisions, if any of the Companies Act, 2013 (including Statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and that the power to delegate such authority to any person(s)) to create such charges and/or mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company on such terms and conditions and at such times and in such form and manner and with such ranking as to priority as it may think fit, on any of the Company’s moveable and immoveable properties and assets, present and future, comprised in any undertaking or undertakings of the Company, as the case may be, in favour of the lenders viz: Financial / Investment Institutions, Banks, NBFC’s or Trustees for the holders of debentures / bonds / other instruments to secure the repayment of loans / borrowings sanctioned and / or to be sanctioned by them from time to time for a sum not exceeding Rs. 500 crore (Rupees Five Hundred Crore) over and above the aggregate of the paid-up share capital of the Company and its free reserves and apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business as per the approval of the shareholders under section 180 (1) (c) of the Companies Act, 2013 and inclusive of interest at the respective agreed rates and all other costs, charges and expenses and all monies payable by the Company in respect of such loans / borrowings as may be stipulated in that behalf and agreed between the Board of Directors and Lenders.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to:

- (i) finalise with the Lenders, agreements and other documents, if any, necessary for creating the mortgage(s) and / or charge(s), hypothecation(s) as aforesaid, and to accept any modification(s) to, or modify, alter or vary, the terms and options of the aforesaid documents and
- (ii) do all such acts, deeds, matters and things and to execute all such documents, deeds and instruments in writing as may be required, incidental to and/or expedient for giving effect to this resolution and to resolve any question relating thereto, or otherwise considered by the Board of Directors to be in the interest of the Company.”

NOTES FOR MEMBERS’S ATTENTION

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person can not act as a proxy for any other person or shareholder.
3. Instruments appointing proxies should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.
4. Corporate members intending to send their Authorised Representatives to attend the meeting are requested to send the Company a certified copy of Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
5. The members/ proxies are requested to bring duly filled in attendance slips for attending the meeting and members / proxies are also requested to bring a copy of the Annual Report to the meeting.
6. The Register of Members and the Share Transfer Books of the Company will be closed from Monday, the 15th September, 2014 to Friday, 26th September, 2014 (both days inclusive) for determining the names of the members eligible for dividend on Equity Shares, if declared at the Meeting.
7. Members seeking any information or clarification with regard to the accounts, are requested to write to the Company at least TEN DAYS in advance of the meeting so as to enable the Company to keep the information ready.
8. Members are requested to intimate the Registrar and Transfer Agents of the Company – Sharepro Services (India) Private Limited, 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Mumbai - 400072, immediately of any change in their address in respect of equity shares held in physical mode and to their Depository Participants (DPs) in respect of equity shares held in dematerialisation form.
9. Members who are holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination form can be downloaded from the Company’s website www.asistone.com under the sections of investors.
10. In terms of section 205A and 205C of the Companies Act 1956 the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investors Education and Protection Fund (IEPF). Accordingly the company’s unclaimed or unpaid dividend for the year ended 31st March, 2008 shall be due for Transfer to IEPF on or before 25th October, 2015. Shareholders are requested to ensure that they claim dividend(s) from the Company before transfer of said amount to the IEPF.

11. Pursuant to requirement of the Listing Agreement of the Stock Exchange relating to Corporate Governance, a statement containing details of Directors seeking appointment / re-appointment is part of explanatory statement attached herewith.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agents of the Company.
13. Members those who have not provided Bank details to the Company to facilitate payment of dividend in electronic mode, we request those members to opt for electronic modes of payment and update their bank details:
 - In case you are holding the Company's shares in dematerialized form, please contact your Depository Participant and give suitable instructions to update your Bank account details in your demat account.
 - In case you are holding the Company's shares in physical form, please forward your Bank account details along with a photocopy of your blank cancelled cheque to Company's RTA viz. Sharepro Services (India) Pvt. Ltd.
14. Members who have not registered their e-mail address so far are requested to register their email address so that they can receive the Annual Report and other communication from the company electronically.
15. A Statement pursuant to section 102(1) of the Companies Act, 2013 related to Special Business to be transacted at the meeting is annexed hereto.

VOTING THROUGH ELECTRONIC MEANS

- i. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 68th Annual General Meeting of the Company.

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

- (i) Log on to the e-voting website www.evotingindia.com.
- (ii) Click on "Shareholders" tab.
- (iii) Now select: "ASSOCIATED STONE INDUSTRIES (KOTAH) LIMITED" from the drop down menu and click on "SUBMIT".
- (iv) Now Enter your User ID : For CDSL – 16 digit beneficiary ID, For NSDL - 8 Characters DP followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the image verification as displayed and Click on Login.

- (vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below.

| For Members holding shares in Demat Form and Physical Form | |
|---|---|
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company / depository Participant are requested to use the first two letters of their name and last 8 digits of the demat account / folio number in the PAN field. • In case the folio number is less than 8 Digits enter the applicable number of 0's before the number after first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. |
| DOB# | Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details# | Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field. |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant "ASSOCIATED STONE INDUSTRIES (KOTAH) LIMITED" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or No as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.

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- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com. After receiving the login details they have to link the account(s) which they wish to vote on. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their votes. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case of members receiving physical copy: please follow all steps from sl.no.(i) to sl.no. (xvii) above to cast vote.
- (xx) The voting period begins on 17th September, 2014 (9.30 A.M.) and ends on 19th September, 2014 (5.30 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date (record date) cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 14th August, 2014.
- III. A copy of this notice has been placed on the website of the Company and the website of CDSL.
- IV. Shri. Prabhat Maheshwari, Partner GMJ & Associates, Practising Company Secretaries, Mumbai has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- V. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.
- VI. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.asistone.com and on the website of CDSL within two (2) days of the resolutions at the AGM of the Company and communicated to the BSE Limited.

By Order of the Board of Directors

Place: Mumbai
5th August, 2014

Uttam Shetty
Company Secretary

Registered Office:
Marathon Innova "A" Wing 7th Floor,
Off: Ganpatrao Kadam Marg,
Lower Parel, Mumbai 400013

Details of Director seeking reappointment in Annual General Meeting fixed on 26th September, 2014

| | |
|--|--|
| Name of Director | Shri. Tushya Jatia |
| Date of Birth | 2nd March, 1986 |
| Date of Appointment | 25th July, 2008 |
| Qualification | Bachelor of Accounting & Finance (BAF) from Mumbai University and Master in Finance & Investments from Nottingham University (U.K). |
| Expertise in specific functional areas | Since 2008 actively involved in day to day business of Associated Stone Industries (Kotah) Limited and attained experience in the field of mining & marketing of Kotah stone & other natural stones. |
| Directorship in other Indian Public Ltd. Companies as on 31.03.2014 | Nil |
| Chairman / Member of the Committees of the Board of other Indian Public Ltd Companies as on 31.03.14 | Nil |
| No. of Shares Held in the Company | 21478 |

ANNEXURE TO NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5:

The Board of Directors at their meeting held on 5th August 2014 appointed Smt. Anita Jatia (relative of Company's Directors Shri. Deepak Jatia and Shri. Tushya Jatia) as an additional Director in terms of Section 161 of the Companies Act, 2013 who holds office upto the date of this Annual General Meeting. The Company has received notice pursuant to Section 160 of the Companies Act, 2013 from members proposing the appointment of Smt. Anita Jatia as a Director.

| | |
|--|--|
| Name & Director Identification Number | Smt. Anita Jatia (DIN:01068774) |
| Date of joining Board | 5th August 2014 |
| Experience in specific functional Area | Having rich experience in the field of Administration & Marketing. |
| Number of Shares held in the Company | 153882 |
| Directorship and committee memberships in other companies* | Nil |

* Directorship and committee membership in Associated Stone Industries (Kotah) Limited are not included in the aforesaid disclosure. Also alternate directorship, directorship in Private Limited Companies, Foreign Companies and Section 8 Companies and their committee membership are excluded. Membership and Chairmanship of Audit Committees and Investors Grievance Committee of only public Companies have been included in the aforesaid table.

The Board of Director propose the appointment of Smt. Anita Jatia as the Director and recommend the resolution as set out in item no 5. for the approval of the shareholders at the ensuing Annual General Meeting.

Other than Smt. Anita Jatia, Shri. Deepak Jatia, Shri. Tushya Jatia and their relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolution as set out in Item No 5. of this Notice. The explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

ITEM NO. 6 to 8:

Pursuant to Sections 149, 152, Schedule VI of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Shri. Pramod G. Lath and Shri. Anshul M. Sonawala and Shri. Sanjay Seksaria as independent Directors of the Company up to 5 (five) consecutive years up to 31st March, 2019. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from members proposing the appointment of aforesaid Independent Directors.

A brief profile along with other details of Independent Directors is as follows:

| | |
|--|--|
| Name & Director Identification Number | Shri Pramod. G. Lath (DIN: 00172170) |
| Date of joining Board | 28th January, 2009 |
| Profile of the Director | Shri. Pramod G. Lath, holds a Bachelor's of Commerce Degree from the Mumbai University. He has more than 30 years rich experience in the field of finance, marketing, & administration . |
| Number of Shares held in the Company | Nil |
| Directorship and committee memberships in other companies* | Orient Agro Foods Limited Century Impex Limited Orient Spinners Limited |

| | |
|--|---|
| Name & Director Identification Number | Shri. Anshul M. Sonawala (DIN:00133376) |
| Date of joining Board | 2nd December, 2009 |
| Profile of the Director | Shri. Anshul Sonawala, holds a Bachelor's of Management Studies Degree from the Mumbai university, has over 8 years experience in field of business management & finance. |
| Number of Shares held in the Company | Nil |
| Directorship and committee memberships in other companies* | Nil |

| | |
|--|---|
| Name & Director Identification Number | Shri. Sanjay Seksaria (DIN: 00111096) |
| Date of joining Board | 5th August 2014 |
| Profile of the Director | Shri. Sanjay Seksaria has vast experience in the field of entertainment industry especially in film making including advertisement films. He had served as Whole Time Director of Galaxy Entertainment Corporation Limited from 2005 to 2009. |
| Number of Shares held in the Company | 15000 |
| Directorship and committee memberships in other companies* | Bombay Talkies Entertainment Ltd. |

The Board of Directors at its meeting held on 5th August 2014 has appointed Shri. Sanjay Seksaria as an Additional Director on the Board of Directors of the Company. The Board of Directors believe that the association of the aforementioned Independent Directors with the Company shall be beneficial to the progress of the Company and hence, the Board recommends the appointment of Shri. Pramod G. Lath, Shri. Anshul M. Sonawala and Shri. Sanjay Seksaria as Independent Directors as set out in item no 6 to 8 for the approval of the shareholders at the ensuing Annual General Meeting.

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In the opinion of the Board, the Independent Directors, fulfill the conditions specified in sections 149,152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Directors are Independent of the Management. Further, all aforesaid Independent Directors have given a declaration to the Board of Directors to the effect that they meet the criteria of Independence as provided in section 149(6) of the Companies Act, 2013.

Other than Independent Directors and their relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary resolution as set out in Item No 6 to 8 of this Notice. The explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

ITEM NO. 9 & 10:

The Shareholders at the 47th Annual General Meeting of the Company held on 18th September, 1993 had accorded their consent to the Board of Directors by way of Ordinary Resolution under erstwhile section 293 (1) (d) of the Companies Act, 1956 borrowing in excess of the aggregate of the Company's paid-up capital and free reserves, subject to limit of Rs 500 crore (Rupees Five Hundred Crore) over and above the aggregate of the paid-up capital and its free reserves.

Section 180 (1) (c) of the Companies Act, 2013 requires that the Board of Directors of a Company shall not borrow money in excess of the Company's paid-up share capital and free reserves, apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business, except with the consent of the Company accorded by way of a Special Resolution.

Further, since the Company is planning to expand / diversify its business, there may be need to increase the Company's aggregate borrowings. Hence the Board of Directors feels that it will be necessary for the Company to raise further moneys from various sources. The consent of the shareholders is therefore, sought by way of a Special Resolution in accordance with the provisions of section 180 (1) (c) of the Companies Act, 2013 to enable the Board of Directors to borrow monies subject to limit of Rs 500 crore (Rupees Five Hundred Crore) in addition to the aggregate of the Company's paid-up share capital and its free reserves as mentioned in the resolution. The resolution in item no 9 of the accompanying Notice is to obtain fresh consent of the shareholders for this purpose.

The proposed borrowings of the Company may, if necessary, have to be secured by way of mortgage/charge on immoveable properties and/or hypothecation of the moveable properties of the Company both present and future, as may be agreed to with the concerned Financial / Investment Institutions, Banks, NBFCs or the relevant party concerned.

Since the mortgage and/or charge/ hypothecation to be created as aforesaid may attract provisions of Section 180 (1) (a) of the Companies Act, 2013, it is deemed advisable to obtain the approval of the members by way of Special Resolution under the provisions of the above Section of the said Act. The Directors accordingly commend the resolutions in items nos. 9 & 10 of the accompanying notice for the approval of the members.

None of the Director and / key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at item nos. 9 & 10.

By Order of the Board of Directors

Place: Mumbai
5th August 2014

Uttam Shetty
Company Secretary

Registered Office:

Marathon Innova "A" Wing 7th Floor,
Off: Ganpatrao Kadam Marg, Lower Parel,
Mumbai 400013

DIRECTORS' REPORT

To
The Members,
Associated Stone Industries (Kotah) Limited

The Directors have pleasure in presenting the 68th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2014:

1. FINANCIAL RESULTS:

| | (Rs. in lacs) | |
|---|-----------------|-----------------|
| | <u>2013-14</u> | <u>2012-13</u> |
| Total revenue | 13347.22 | 17686.29 |
| Profit before finance cost & depreciation | 2922.99 | 3459.24 |
| Less: Finance Cost | 578.25 | 742.12 |
| Depreciation | 791.30 | 775.98 |
| Profit before taxation | 1553.44 | 1941.14 |
| Provision for taxation | | |
| Current tax | (596.00) | (683.00) |
| Deferred tax | 49.84 | 50.60 |
| Earlier year adjustments | -- | (7.81) |
| Profit for the year (after tax) | 1007.28 | 1300.93 |
| Add: Balance in Profit & Loss Account | 5040.17 | 4083.11 |
| Profit available for appropriation | 6047.45 | 5384.04 |
| Appropriations | | |
| Transfer to general reserve | 150.00 | 150.00 |
| Proposed dividend | 165.71 | 165.71 |
| Tax on dividend | 28.16 | 28.16 |
| Closing balance | 5703.58 | 5040.17 |
| | <u>6047.45</u> | <u>5384.04</u> |

2. DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 1.25 (equivalent to 25%) per equity share of the face value of Rs. 5/- each.

3. PERFORMANCE

For the year under review the production of Kotah Stone was 1205.75 lacs sq. ft. as against 1392.53 lacs sq. ft. in the previous year and sales were 1262.93 lacs sq. ft. as against 1450.64 lacs sq. ft. in the previous year.

During the year 2013-14 the Company has registered revenue from operations of Rs. 13073.62 lacs (previous year Rs. 17483.29 Lacs) and Gross Profit of Rs. 2922.99 Lacs (previous year Rs. 3459.24 Lacs). The main reason for reduction in revenue from operation is due to reduction in trading activity on account of market constraint. Revenue from the trading activity during the year under review was

2034.28 lacs as against Rs. 5891.93 lacs in the previous year.

The profit before taxation during the year 2013-14 was Rs. 1553.44 Lacs as compared to Rs. 1941.14 Lacs during the previous year 2012-13.

4. WIND POWER PROJECT

As a part of its efforts to augment "Green Power", the Company continue to operate its installed 4.75MW capacity Wind Power plant comprising of 1.125MW capacity at Tiruppur District of Tamil Nadu, 1.125MW capacity at Gadag District of Karnataka and 2.50MW capacity at Satara District of Maharashtra supplying to Electricity Boards.

The Wind Power generations basically depends on flow of winds and due to unpredictable climatic conditions generation of power varies from time to time. Generally investments in such projects are considered viable from the revenue generation on long time basis. Considering this fact, the Government of India offers various incentives to encourage such projects including Solar Power, Bio-mass Power etc which are environment friendly and also universally recognized and hence the carbon credit benefits are extended under the Kyoto Protocol of UNFCCC (United Nations Framework Conference for Climate Change).

The Company has initially applied for such Carbon Credit for 4.75MW bundled Wind Power Project upto the year 2012 which has been approved by UNFCCC, Bonn, Germany and has issued CER of 4010 which can be sold in the Carbon Credit Market in India. Considering the current market trend, the Company is yet to take delivery of CER issued by the UNFCCC, Bonn, Germany. The Company will be eligible for such Carbon Credit benefit for 10 years on the basis of yearly generation.

5. HEALTH, SAFETY & ENVIRONMENT

In the Mining Industry health, safety & environment challenges are enormous. The Company continuous to address these challenges through adoption of new technology, modernization of mining process 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. Though the environment gets effected in the mining operations, the Company continuous to take adequate precaution to prevent damages and to maintain clean environment in workplace.

The Company continues to maintain high standards of safety at workplace through strong supervision and

Associated Stone Industries (Kotah) Ltd.

improvements, wherever required. Regular health camps are conducted at worksite to diagnose any serious health related issues of 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. Tushya Jatia retires by rotation in accordance with the provisions of the Companies Act, and Articles of Association of the Company but being eligible, offers himself for re-appointment.

Pursuant to the provisions of Companies Act, 2013, permission of the shareholders are sought by way of ordinary resolution/s for appointment of Independent Directors.

9. AUDITORS

M/s. B. L. Ajmera & Co., Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual general meeting and are eligible for re-appointment.

The Company has received letter from M/s. B. L. Ajmera & Co., to the effect that their re-appointment, if made, would be within the prescribed limits under section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

10. STATUTORY INFORMATION

The Company had 1 employee during the part of financial year under review and was in receipt of remuneration not less than Rs. 5.00 lacs per month. However, as per the provisions of section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report and Accounts are being sent to all the shareholders of the Company excluding the Statement of particulars of employees as required pursuant to Section 217(2A) of the Companies Act, 1956 and rules framed thereunder. Any shareholder interested in obtaining a copy of the statement may write to the Company Secretary of the Company.

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 had been accepting deposits within the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. The Fixed Deposits as on 31st March, 2014 was Rs 400.41 Lacs.

With effective from 1st April, 2014, the Company has discontinued the acceptance and renewal of Fixed Deposits and all deposits outstanding as on 31.03.2014 will be repaid as per due date/s or before 31.03.2015 whichever is earlier.

11. ACKNOWLEDGEMENT

Your Directors would like to 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
9th May, 2014

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.

Energy Conservation has been identified as a prime measure for cost reduction. Accordingly, the company has taken several in-house measures for Energy savings and had achieved substantial Energy Savings in fuel & power.

Recently, energy audit / energy conservation program has been conducted at mines of the company. The campaign encompassed to study the existing pattern of energy use at the premises and also identification of the areas where energy could be saved by employing suitable techno-economic measures.

TECHNOLOGY ABSORPTION / RESEARCH & DEVELOPMENT

The company is taking up research and development for enhancing production and improving quality. And this is not only up to the product i.e. Kota Stone, but also extended to the waste. Along with the dimensional Kota Stone tiles, huge waste is generated due to removal of over burden. As of now, this waste is being dumped without any utilization.

The company is working on a project to explore value addition for kota stone waste. For this, firstly the waste materials require an estimation of its chemical and physical conditions. A systematic analysis of several properties is of utmost importance to understand their window of variations as they originate from natural deposits. Subsequently possible modes of value additions will be explored to generate additional income from this waste.

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
9th May, 2014

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

Looking to the continued slowdown in the growth of construction and infrastructure sector, Kotah Stone industry may also be affected in coming years. But at the same time, overall production of the Kotah stone may also be affected in coming years due to panic created between small mines owners because of the environmental issue which is of great concern today.

Company has taken advanced precautionary measures in cost cutting, quality improvement and strengthening the supervision to achieve the targeted production. Therefore Company does not foresee any reduction in its production. However, Company may have to give more credits to the customers in competitive market to maintain the same level of turnover which may further increase the debtors' level.

Company has been actively considering the use of quarry waste for production of lime stone related products and the Company has taken necessary initiative in this regard.

REVIEW:

Financial results for the year ended 31st March, 2014, segment wise are as under:-

(Rs. in Lacs)

| Particulars | Stone | Wind Power | Trading | Total | |
|------------------------------|----------|------------|---------|----------------|----------------|
| | 2013-14 | 2013-14 | 2013-14 | 2013-14 | 2012-13 |
| REVENUE | | | | | |
| Sales | 10891.93 | 147.41 | 2034.28 | 13073.62 | 17483.29 |
| Other Operating Income | - | - | - | - | - |
| Other Income | 263.23 | 10.37 | - | 273.06 | 203.00 |
| RESULTS | | | | | |
| Profit/(Loss) before Finance | | | | | |
| Cost & Tax | 2148.45 | (37.89) | 21.13 | 2131.69 | 2683.25 |
| Less: Finance Cost | (578.25) | - | - | (578.25) | (742.12) |
| Profit/(Loss) Before Tax | 1570.20 | (37.89) | 21.13 | 1553.44 | 1941.13 |
| Tax Expenses | | | | (546.16) | 640.21 |
| Net Profit / (Loss) | | | | 1007.28 | 1300.92 |

Associated Stone Industries (Kotah) Ltd.

OPPORTUNITIES AND THREATS

There appears no immediate threat to the Kotah stone mining industry. Overall market for Kotah Stone appears to be more or less stable. A prolonged global economic slowdown accompanied by domestic inflationary cost pressures may lead to waning demand and margins of the Company. However, these negative factors has to be counteracted through improved technology & productivity, optimum assets utilization and use of Grid power in replacement of DG sets.

ENVIRONMENT

The Company strives to have better tomorrow with a cleaner & greener environment. The Company has been monitoring and abiding by all the rules, regulations & guidelines and restrictions outlined in the Environment Clearance by Ministry of Environment & Forests and by taking up corrective steps in case of any deviation.

PERFORMANCE AND REVIEW OF OPERATIONS

Company has been conducting operations at its mines and factory smoothly and economically. The Company has taken necessary steps to control on the waste generation during the production to improve the mineral recovery. The Company's power cost was on higher side earlier due to consumption of HSD for generation of power through DG sets. By using the electric power purchased from JVVNL instead of self generation, the Company succeeded in reduction of power cost significantly which has resulted into the higher profitability during the year. This has also reduced the pollution in the mining area and added new avenues to our Enviro-friendly mining activities.

RISK AND CONCERNS

The Company has to acquire more lease area adjoining to existing lease area and to purchase more land to continue its mining operations for many more years. Considering substantial increase in land price in the recent years, the company has to bear the increased cost to acquire new mining land. Any deviation in environmental parameters will be open to high risk. As the depth of the production zone in some of the mining areas is going down, hence our overburden handling cost will also increase in coming years.

The Company does not foresee any major risk in near future. However, changes in Government policies, slow down in growth of construction & infrastructure sector and environmental restrictions may affect the turn over and profitability of the Company.

OUR EDGE

Maintaining good industrial relations, carrying on its operations professionally & economically, regulatory

compliances especially on safety, health and environmental front will help in maintaining its leadership in the industry.

The Company has established a record of consistent relationship with customers. We are the only Company in the organized sector of Kotah Stone mining & processing which gives us an edge over our competitors.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has maintained adequate internal control systems & procedures and it reviewed and suitably amended from time to time to ensure safeguard and protection to all the assets of the Company against any kind of loss in procurement, use or disposition.

The internal control systems are designed to ensure that financial and other records are reliable for preparing financial information and other reports.

DEVELOPMENT IN HUMAN RESOURCE / INDUSTRIAL RELATIONS

Our Industry is highly labour oriented which needs regular interaction with the labourers and attending to their concern. Company has always recognized human resource as natural capital and regular on the job training and class room lectures have helped in improvement in the quality and utilization of resources.

Being a good pay master in the industry has helped in maintaining good industrial relation and facing challenges successfully. Mutual understanding, maintaining harmonious and cordial Industrial Relationship is the 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 is keen in discharging its social commitment by helping and contributing to various social causes and events in general. The Company has been providing financial relief & support for educational, medical and sports activities, supply of drinking water in the adjoining villages and religious functions, providing JCB etc. and supplying stone waste & malwa to the nearby villages for miscellaneous purposes as and when required.

The Company is providing all support for running primary school and degree college, participating in the management of 50 bedded hospital and providing financial support in the form of scholarships for higher education. During the year under review, the Company has provided 40 seater bus to the Government College Ramganjmandi, for exclusive commutation of girl students and the Company has constructed 4 cottage wards in the Government Hospital Ramganjmandi.

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 CORPORATE GOVERNANCE

Adherence to good Corporate Governance is an integral part of the philosophy of the Company with an objective of value creation for its stakeholders.

The Management governs the affairs of the Company in a fair, honest, ethical, transparent and legal manner to ensure the optimum utilization of available resources for maximizing benefits for all its stakeholders.

The Company makes prompt, complete and accurate disclosures under the applicable laws about its financials, shareholding and other material information for knowledge of its stakeholders. The corporate structure, business and disclosure practices at the Company are in complete adherence to its Corporate Governance Philosophy.

Corporate governance 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 maximizing 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 stipulates 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 Three Non-Executive and Two Executive Directors. The details are as under:-

| Name of Director | Category of Directorship | Number of Directorship held in other Companies (#) | Number of outside Committees | |
|--|-------------------------------|--|------------------------------|--------|
| | | | Chairman | Member |
| Shri. Deepak Jatia Chairman & Managing Director | Promoter/ Executive | 1 | - | - |
| Shri. Padam Kumar Poddar | Independent/ Non-Executive | - | - | - |
| Shri. Pramod G. Lath | Independent/ Non-Executive | 3 | - | - |
| Shri Tushya Jatia Executive Director | Promoter/ Executive | - | - | - |
| Shri Anshul M. Sonawala | Independent/ Non-Executive | 1 | - | - |

(#) 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, 2014, Five Board Meetings were held on 27th May, 2013, 7th August, 2013, 25th October, 2013, 20th December, 2013 and on 24th January, 2014. 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 23rd August, 2013 |
|--------------------------|-------------------------------|--|
| Shri. Deepak Jatia | 4 | Present |
| Shri. Padam Kumar Poddar | 5 | - |
| Shri Pramod G. Lath | 5 | Present |
| Shri. Tushya Jatia | 3 | Present |
| Shri. Anshul M. Sonawala | 5 | - |

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 2014, four Audit Committee Meetings were held on 27th May 2013, 7th August 2013, 25th October 2013 & on 24th January, 2014.

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:

- Overseeing 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.

Associated Stone Industries (Kotah) Ltd.

b. Recommending the appointment and removal of external Auditor, fixation of audit fee and also approval for payment of 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 to 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. During the year under review no meeting was held. The composition of the Remuneration Committee is as under:-

| Name of the Director | Category |
|-------------------------|----------|
| Shri Padam Kumar Poddar | Chairman |
| Shri Pramod G. Lath | Member |
| Shri Anshul M. Sonawala | Member |

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 2013-14 are as under:

(Rs. In Lacs)

| Name of the Director | Salary | Perquisites & Allowances | Total | Stock Option Granted (Nos) |
|---|--------|--------------------------|-------|----------------------------|
| Shri. Deepak Jatia Chairman & Managing Director | 43.20 | 5.18 | 48.38 | Nil |
| Shri. Tushya Jatia Executive Director | 18.00 | 2.16 | 20.16 | 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 as its members. The Company Secretary Shri. Uttam Shetty is the Compliance Officer of the Company.

During the Financial Year ended 31st March, 2014, Committee Meetings were held on 23rd April, 2013, 12th November, 2013, and on 19th February, 2014.

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 matters related to shares of the Company.

Share Transfer Committee (sub Committee to Shareholders /Investors Grievance Committee) met 7 times during the financial year 2013-14 to facilitate speedy disposal of transfer of shares & other related matters.

There were no pending/unattended complaints as on March 31, 2014.

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 |
|----------|-------------------|---|------------|
| 67th AGM | 23rd August, 2013 | Registered Office of the Company, ASI House, Kudayala Industrial Area, Ramganjmandi 326519. | 10.00 a.m. |
| 66th AGM | 24th August, 2012 | Registered Office of the Company, ASI House, Kudayala Industrial Area, Ramganjmandi 326519. | 9.00 a.m. |
| 65th AGM | 10th August, 2011 | Registered Office of the Company, ASI House, Kudayala Industrial Area, Ramganjmandi 326519. | 9.00 a.m. |

Special Resolutions passed during the last 3 AGMs.

| | |
|----------|---|
| 67th AGM | No Special Resolution was passed at the Annual General Meeting held on 23rd August, 2013. |
| 66th AGM | One Special Resolution was passed at the Annual General Meeting held on 24th August, 2012: (i) Increase in remuneration of Mr. Tushya Jatia - Executive Director of the Company. |
| 65th AGM | Two Special Resolutions were passed at the Annual General Meeting held on 10th August, 2011: (i) Resolution for re-appointment of Mr. Deepak Jatia as Chairman & Managing Director (ii) Resolution for re-appointment of Mr. Tushya Jatia as Executive Director of the Company. |

II. Details of resolutions passed last year (i.e during Financial Year 2013-14) through Postal Ballot, the person who conducted the Postal Ballot exercise and details of the voting pattern:

During the year ended 31.03.2014 the company sought approval from its shareholders on one occasion for passing Special Resolution through the process of postal ballot in accordance with the provisions of Section 192A of the Companies Act, 1956.

The Board of Directors of the Company, at its meeting appointed scrutinizer for conducting Postal ballot in a fair and transparent manner. The results of the postal ballot were announced on 24.12.2013. Details of the same are given below:

| Sr. No. | Particulars | Details / Date |
|---------|--|---|
| 1 | Date of Board Meeting | 25th October, 2013 |
| 2 | Name of the Scrutinizer appointed by the Board of Directors at its meeting | Mr. Prabhat Maheshwari , A.C.A.F.C.S Partner GMJ & Associates, Company Secretaries |
| 3 | Date of Notice seeking Shareholders approval | 25th October, 2013 |
| 4 | Date of completion of dispatch of notice | 2nd November, 2013 |
| 5 | Last date of receipt of duly filled Postal Ballot Forms | 20th December, 2013 |
| 6 | Date of submission of scrutinizer report to the Chairman | 23rd December, 2013 |
| 7 | Date of declaration of result | 24th December, 2013 |

Particulars of Special Resolutions passed:

| | |
|---|--|
| 1 | Shifting of registered office of the Company from the State of Rajasthan to the State of Maharashtra and to alter the Clause II of the Memorandum of Association of the Company accordingly. |
|---|--|

Details of voting pattern are as under:

| Particulars | Total Votes | Total Valid Votes cast | Total Valid Votes cast in favour of the Resolution | Total Valid Votes cast against the Resolution |
|--|-------------|------------------------|--|---|
| Resolution for shifting of registered office | 13256746 | 10136787 | 10072567 (99.37%) | 64220 (0.63%) |

7. DISCLOSURES

- i) The Company had related party transactions which did not have potential conflict with the interests of the Company at large. Transaction with related parties, as per requirement of Accounting Standard 18 - Related Party Disclosure, are disclosed elsewhere in the Annual report.

Associated Stone Industries (Kotah) Ltd.

- 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 the 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 quarterly, half yearly and yearly results are published in Business Standard / Financial Express (English daily) news-paper (having all India editions) and in Raj Express (Hindi daily) news-paper circulated in Rajasthan State (regional language news-paper). The Financial Results are also posted on Company's website viz: www.asistone.com.
- ii) For information of Investors, the Company also publishes notice of meeting in which financial results are proposed to be approved by the Board, in a national news-paper and regional news-paper at least 7 days in advance.
- iii) The quarterly, half-yearly and full year results are published in news papers with adequate disclosures for the knowledge of shareholders. The Company does not have a system of informing shareholders individually about the financial results. 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.
- iv) Management Discussion and Analysis forms part of the Annual Report.
- v) The Company has created dedicated e-mail 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 - 645100 Fax: 07459 - 220143

Note: Pursuant the Special Resolution passed by the shareholders on 24.12.2013 through postal ballot, the Company has filed necessary petition before the Regional Director (North Western Region) for shifting of registered office from the State of Rajasthan to the State of Maharashtra and matter is under process with the Regional Director.

Annual General Meeting:

Date and Time: Friday 26th September, 2014, at 11.00 a.m.
Venue: As per Notice of 68th AGM.

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 :

15th September 2014 to 26th September, 2014
(Both days inclusive)

Dividend payment :

The Board of Directors at their meeting held on 9th May 2014, have recommended a dividend of Rs. 1.25 per equity share of Rs. 5/- each for the financial year ended 31.03.2014, 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 26th September 2014

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 2014-2015.

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

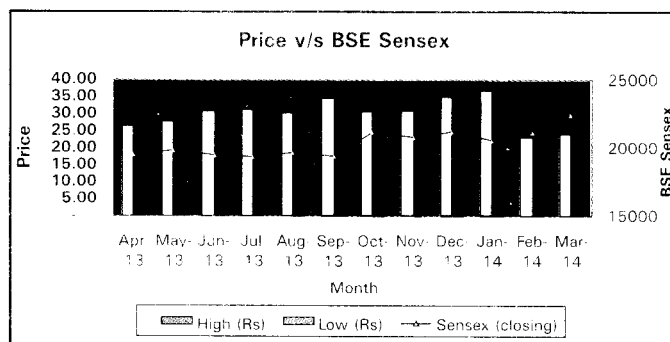
Stock Price Data

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

Equity share of Rs 5/- each

| MONTH | HIGH Rs. | LOW Rs. | MONTH | HIGH Rs. | LOW Rs. |
|-----------------|----------|---------|----------------|----------|---------|
| April, 2013 | 26.50 | 21.30 | October, 2013 | 30.45 | 28.85 |
| May, 2013 | 27.80 | 24.00 | November, 2013 | 31.00 | 25.35 |
| June, 2013 | 30.75 | 28.50 | December, 2013 | 35.00 | 25.45 |
| July, 2013 | 31.00 | 27.50 | January, 2014 | 36.70 | 22.00 |
| August, 2013 | 29.95 | 24.75 | February, 2014 | 23.10 | 19.20 |
| September, 2013 | 34.55 | 30.70 | March, 2014 | 23.85 | 20.00 |

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.

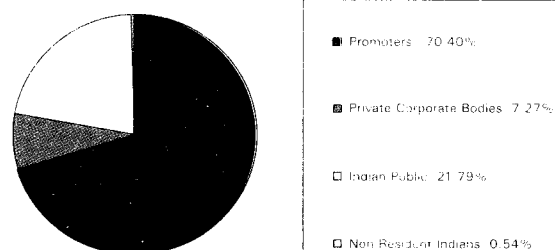
Distribution of shareholding as on 31st March, 2014

| No. of Equity Shares held | No. of Shareholders | Percentage of Shareholders | No. of Shares held | Percentage of shareholding |
|---------------------------|---------------------|----------------------------|--------------------|----------------------------|
| Upto 500 | 1728 | 67.845 | 326428 | 2.462 |
| 501 to 1000 | 401 | 15.744 | 329875 | 2.488 |
| 1001 to 2000 | 153 | 6.007 | 244262 | 1.843 |
| 2001 to 3000 | 62 | 2.434 | 158044 | 1.192 |
| 3001 to 4000 | 45 | 1.767 | 165342 | 1.247 |
| 4001 to 5000 | 26 | 1.021 | 120919 | 0.912 |
| 5001 to 10000 | 63 | 2.473 | 457622 | 3.452 |
| 10001 and above | 69 | 2.709 | 11454254 | 86.404 |
| Grand Total | 2547 | 100.00 | 13256746 | 100.00 |

Shareholding Pattern as on 31st March, 2014

| Category | No. of Shares held | Percentage |
|-------------------------------|--------------------|------------|
| Promoters | 9333140 | 70.40 |
| Banks, Financial institutions | - | - |
| Private Corporate Bodies | 964082 | 7.27 |
| Indian Public | 2888063 | 21.79 |
| NRI | 71461 | 0.54 |
| Total | 13256746 | 100.00 |

% of Shareholding



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, 2014, 93.35% of the total outstanding shares were held in dematerialized form.

The Annual custody fees for the year 2014-15 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, the shareholders 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.

Associated Stone Industries (Kotah) Ltd.

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, 2014.

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, 2014.

For Associated Stone Industries (Kotah) Limited

Mumbai
9th May, 2014

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 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and 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: 9th May, 2014

(C. Venkatesan)
Partner
Membership No.010054

AUDITORS REPORT

TO THE MEMBERS

ASSOCIATED STONE INDUSTRIES (KOTAH) LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of Associated Stone Industries (Kotah) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial

statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

Report on Other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Place: Mumbai
Dated: 9th May, 2014

(C. Venkatesan)
Partner
Membership No. 010054

Associated Stone Industries (Kotah) Ltd.

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date]

1) In respect of its Fixed Assets:

- 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 and the going concern status of the Company is not affected.

2) In respect of its inventories:

- 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. Physical inventory of traded items are not maintained as the traded goods are directly delivered to the customers.
- 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) In respect of contracts or agreements referred to in section 301 of the Companies Act, 1956:

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, 1975 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) In our opinion the company has maintained Cost records prescribed under Section 209 (1) (d) of the Act.

9) In respect of statutory dues:

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, 2014, 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. in Lacs) | Period to which the amount relates | Forum where dispute is pending |
|---------------------|--------------------|----------------------|------------------------------------|--|
| Sales Tax Act | Entry Tax | 242.77 | January 2007 to March 2013 | High Court |
| Cess Matters | Land Tax | 234.53 | 2006 to 2013 | DIG Registration & Stamps / High Court |
| | Royalty | 8.61 | 1977-78, 1990-91, 1992-93, 1993-94 | Mining Dept. High Court |
| Income Tax | Income Tax Demand | 6.48 | 2007-08 | CIT (Appeal) |

- 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 or 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) During the year a fraud on the Company by third party has been noticed, in the nature of fraudulent sale of land amounting to Rs 17.10 Lacs to the Company by third party.

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

Place: Mumbai
Dated: 9th May, 2014

(C. Venkatesan)
Partner
Membership No.010054

Associated Stone Industries (Kotah) Ltd.

BALANCE SHEET AS AT 31st MARCH, 2014

| | Note No. | | As at 31.03.2014 (Rs. in lacs) | | As at 31.03.2013 (Rs. in lacs) |
|--|----------|-----------------|--------------------------------------|-----------------|--------------------------------------|
| EQUITY AND LIABILITIES | | | | | |
| Shareholders' Fund: | | | | | |
| Share Capital | 1 | 662.84 | | 662.84 | |
| Reserves and Surplus | 2 | <u>16969.47</u> | 17632.31 | <u>16213.72</u> | 16876.56 |
| Non-Current Liabilities | | | | | |
| Long Term Borrowings | 3 | 1690.36 | | 2171.41 | |
| Deferred Tax Liabilities (Net) | 4 | <u>278.00</u> | 1968.36 | <u>327.84</u> | 2499.25 |
| Current Liabilities | | | | | |
| Short Term Borrowings | 5 | 2084.95 | | 3087.64 | |
| Trade Payables | 6 | - | | 3019.59 | |
| Other Current Liabilities | 7 | 2300.10 | | 2474.90 | |
| Short Term Provisions | 8 | <u>299.52</u> | <u>4684.57</u> | <u>320.79</u> | <u>8902.92</u> |
| Total | | | <u>24285.24</u> | | <u>28278.73</u> |
| ASSETS | | | | | |
| Non Current Assets | | | | | |
| Fixed Assets | | | | | |
| Tangible Assets | 9 | 16689.88 | | 17511.76 | |
| Intangible Assets | | 7.32 | | 7.55 | |
| Capital Work-in-Progress | | <u>14.73</u> | | <u>5.29</u> | |
| | | <u>16711.93</u> | | <u>17524.60</u> | |
| Non Current Investments | 10 | 41.04 | | 41.04 | |
| Long Term Loans and Advances | 11 | <u>550.15</u> | 17303.12 | <u>447.13</u> | 18012.77 |
| Current Assets | | | | | |
| Current Investments | 12 | 400.00 | | - | |
| Inventories | 13 | 1195.49 | | 1262.31 | |
| Trade Receivables | 14 | 4148.29 | | 6970.22 | |
| Cash and Cash Equivalents | 15 | 430.43 | | 1284.50 | |
| Short Term Loans and Advances | 16 | 704.37 | | 676.47 | |
| Other Current Assets | 17 | <u>103.54</u> | <u>6982.12</u> | <u>72.46</u> | <u>10265.96</u> |
| Total | | | <u>24285.24</u> | | <u>28278.73</u> |
| Significant Accounting Policies Notes on Financial Statements | 1 to 43 | | | | |

As per our Report of even date

B. L. AJMERA & CO.

Chartered Accountants
Firm Regn. No. 001100C

On Behalf of the Board of Directors

TUSHYA JATIA
(Executive Director)

DEEPAK JATIA
(Chairman & Managing Director)

C. VENKATESAN

Partner
Membership No. 010054

PAVAN SONI
(Chief Financial Officer)

UTTAM SHETTY
(Company Secretary)

Place: Mumbai
Date: 9th May, 2014

Place: Mumbai
Date: 9th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

| | | 2013-14 (Rs. in lacs) | 2012-13 (Rs. in lacs) |
|---|---------|--------------------------|--------------------------|
| INCOME | | | |
| Revenue from Operations | 18 | 13073.62 | 17483.29 |
| Other Income | 19 | 273.60 | 203.00 |
| Total Revenue | | <u>13347.22</u> | <u>17686.29</u> |
| EXPENDITURE | | | |
| Purchase of Traded Goods | 20 | 1996.44 | 5713.63 |
| Change in Inventories of Finished Goods, Work-in-Progress and Stock in Trade | 21 | 41.09 | 382.80 |
| Employee Benefit Expenses | 22 | 2903.34 | 2476.44 |
| Finance Costs | 23 | 578.25 | 742.12 |
| Depreciation & Amortisation Expense | 24 | 791.30 | 775.98 |
| Other Expenses | 25 | 5483.36 | 5654.18 |
| Total Expenses | | <u>11793.78</u> | <u>15745.15</u> |
| Profit/(Loss) Before Tax | | 1553.44 | 1941.14 |
| Less: Tax Expenses | | | |
| Current Tax | | 596.00 | 683.00 |
| Deferred Tax | | (49.84) | (50.60) |
| Earlier Years Adjustments | | - | 7.81 |
| | | <u>546.16</u> | <u>640.21</u> |
| Profit/(Loss) for the period | | <u>1007.28</u> | <u>1300.93</u> |
| Earnings per Equity Share (Face value Rs.5/- each) | | | |
| - Basic & Diluted Rs. | | 7.60 | 9.81 |
| Significant Accounting Policies | | | |
| Notes on Financial Statements | 1 to 43 | | |

As per our Report of even date

B. L. AJMERA & CO.

Chartered Accountants

Firm Regn. No. 001100C

On Behalf of the Board of Directors

TUSHYA JATIA
(Executive Director)

DEEPAK JATIA
(Chairman & Managing Director)

C. VENKATESAN
Partner
Membership No. 010054

PAVAN SONI
(Chief Financial Officer)

UTTAM SHETTY
(Company Secretary)

Place: Mumbai
Date: 9th May, 2014

Place: Mumbai
Date: 9th May, 2014

Associated Stone Industries (Kotah) Ltd.

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

(Rupees in Lacs)

For the year ended

| | 31.03.2014 | | 31.03.2013 |
|---|-----------------|----------|-----------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit before tax and Extra-ordinary items | | | |
| Adjusted for | 1553.44 | | 1941.14 |
| Depreciation & Amortisation Expenses | 791.30 | 775.98 | |
| Interest Income | (181.58) | (91.82) | |
| (Profit)/Loss on Sale of Fixed Assets | (25.51) | (20.99) | |
| Finance Cost | 578.25 | 742.12 | 1405.29 |
| Operating Profit before Working Capital Changes | 2715.90 | | 3346.43 |
| Adjusted for changes in | | | |
| Trade & Other Receivables | 2716.05 | (507.98) | |
| Inventories | 66.82 | 393.69 | |
| Trade Payables | (4062.03) | 212.11 | 97.82 |
| Cash Generated from Operations | 1436.74 | | 3444.25 |
| Interest Paid | (581.71) | | (742.79) |
| Direct Taxes Paid | (629.00) | | (763.43) |
| Earlier Year Expenses | | | (7.81) |
| NET CASH FLOW FROM OPERATING ACTIVITIES (A) | 226.03 | | 1930.22 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Fixed Assets | (263.78) | | (556.85) |
| Sales of Fixed Assets | 223.16 | | 71.24 |
| Sale / (Purchase) of Investments | (400.00) | | - |
| Interest Received | 188.30 | | 90.21 |
| NET CASH USED IN INVESTMENT ACTIVITIES (B) | (252.32) | | (395.40) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from Long Term Borrowings | 90.00 | | 465.00 |
| Repayment of Long Term Borrowings | (729.38) | | (1202.93) |
| Dividend Paid | (188.40) | | (149.77) |
| NET CASH FROM FINANCING ACTIVITIES (C) | (827.78) | | (887.70) |
| NET INCREASE IN CASH & CASH EQUIVALENT (A + B + C) | (854.07) | | 647.12 |
| OPENING BALANCE OF CASH & CASH EQUIVALENT | 1284.50 | | 637.38 |
| CLOSING BALANCE OF CASH & CASH EQUIVALENT | 430.43 | | 1284.50 |

As per our Report of even date

On Behalf of the Board of Directors

B. L. AJMERA & CO.
Chartered Accountants
Firm Regn. No. 001100C

TUSHYA JATIA
(Executive Director)

DEEPAK JATIA
(Chairman & Managing Director)

C. VENKATESAN
Partner
Membership No. 010054

PAVAN SONI
(Chief Financial Officer)

UTTAM SHETTY
(Company Secretary)

Place: Mumbai
Date: 9th May, 2014

Place: Mumbai
Date: 9th May, 2014

SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rule, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention, except for land acquired before 01-04-2007 which are carried at revalued amounts.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

b) Use of Estimates:

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Revenue Recognition

(a) Revenue/income and cost/ expenditure are generally accounted on accrual basis as they are earned or incurred.

(b) Dividend on investment is accounted on cash basis.

d) Fixed Assets

All fixed assets are stated at cost of acquisition except land which has been revalued during the F. Y 2006-2007. All other costs till commencement of commercial production/put to use are capitalised.

Depreciation on Tangible Fixed Assets

(i) Depreciation on Dumpers, Earth-moving machinery, and machineries of Kudayla polishing unit 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 the

rate and in the manner prescribed in schedule XIV of the Companies Act, 1956.

(ii) Depreciation on other fixed assets except as stated in (i) 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.

Depreciation on Intangible Fixed Assets

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 Income Tax Rules , 1962.

e) Inventories

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

f) Borrowing Costs:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are considered in the period they occur.

g) Impairment of Tangible and Intangible 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 assets exceeds its recoverable value. The impairment loss recognised in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

h) Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

In accordance with the Revised Schedule VI to the Companies Act, 1956, the portion of the Long Term Investments classified above, and expected to be realised within 12 months of the reporting date, have been classified as current investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of Profit and Loss.

i) Retirement and other employee 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.

j) Income Taxes

(a) Provision for current tax is made on the basis of estimated tax liability as per the applicable provisions of tax laws.

(b) 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.

k) Contingent Liabilities

A contingent liabilities is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Notes to Financial Statements for the Year ended 31 March, 2014

| | | As at 31-03-2014 Rs. in Lacs | As at 31-03-2013 Rs. in Lacs |
|---|--|------------------------------------|------------------------------------|
| 1. SHARE CAPITAL | | | |
| Authorised : | | | |
| 4,60,00,000 (Previous year 4,60,00,000) Equity Shares of Rs.5/- each | | 2300.00 | 2300.00 |
| 2,00,000 (Previous year 2,00,000) Redeemable Preference Shares of Rs.100/- each | | 200.00 | 200.00 |
| | | 2500.00 | 2500.00 |
| Issued, Subscribed and Paid up : | | | |
| 1,32,56,746 (Previous year 1,32,56,746) Equity Shares of Rs 5/- each fully paid | | 662.84 | 662.84 |
| | | 662.84 | 662.84 |

Out of the above equity shares :

- (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.

1.1 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

| Particulars | As at 31-03-2014 | | As at 31-03-2013 | |
|--|------------------|----------------|------------------|----------------|
| | Nos. in Lacs | Rs. in Lacs | Nos. in Lacs | Rs. in Lacs |
| Equity Shares at the beginning of the period | 132.57 | 662.84 | 132.57 | 662.84 |
| Issued during the period | - | - | - | - |
| Equity Shares at the end of the period | 132.57 | 662.84 | 132.57 | 662.84 |

1.2 Terms / Rights attached to Equity Shares:

The Company has only one class of equity share having a par value of Rs. 5/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31st March 2014, the amount of per share dividend recognized as distributions to equity shareholders was Rs. 1.25 per share (previous year Rs. 1.25 per share).

Associated Stone Industries (Kotah) Ltd.

1.3 Details of shareholders holding more than 5% Share in the Company

| Name of the shareholder | As at 31-03-2014 | | As at 31-03-2013 | |
|---|------------------|--------|------------------|--------|
| | Nos. in Lacs | % held | Nos. in Lacs | % held |
| Equity shares of Rs. 5/- each fully paid | | | | |
| a) Sampoorna Exports Private Limited | 22.80 | 17.20% | 22.80 | 17.20% |
| b) Devashish Exports Private Limited | 22.73 | 17.15% | 22.73 | 17.15% |
| c) Sundatta Sirur Private Limited | 20.04 | 15.12% | 20.04 | 15.12% |
| d) Status Impex Private Limited | 15.20 | 11.46% | 15.20 | 11.46% |
| e) DeeJay Mining & Exports Private Limited | 7.11 | 5.36% | 7.11 | 5.36% |
| | 87.88 | | 87.88 | |

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

2. RESERVES & SURPLUS

2.1 Revaluation Reserve

| | As at 31-03-2014 Rs. in Lacs | As at 31-03-2013 Rs. in Lacs |
|--|------------------------------------|------------------------------------|
| Balance as per the last financial statements | 9043.23 | 9047.96 |
| Less: Reduction due to sale of revalued assets | 153.22 | 4.73 |
| Closing balance | 8890.01 | 9043.23 |

2.2 General Reserve

| | As at 31-03-2014 Rs. in Lacs | As at 31-03-2013 Rs. in Lacs |
|---|------------------------------------|------------------------------------|
| Balance as per the last financial statements | 2130.32 | 1975.15 |
| Add: Amount transferred from surplus balance in the statement of profit and loss | 150.00 | 150.00 |
| Add : Profit on sale of revalued assets (Ref. note no 29) | 95.56 | 5.17 |
| Closing balance | 2375.88 | 2130.32 |

2.3 Surplus / (Deficit) in the Statement of Profit and Loss

| | As at 31-03-2014 Rs. in Lacs | As at 31-03-2013 Rs. in Lacs |
|---|------------------------------------|------------------------------------|
| Balance as per the last financial statements | 5040.17 | 4083.11 |
| Profit for the year | 1007.28 | 1300.93 |
| Less: Appropriations | | |
| Proposed equity dividend [Rs. 1.25 per share (Pr. Year Rs. 1.25)] | 165.71 | 165.71 |
| Tax on proposed equity dividend | 28.16 | 28.16 |
| Transfer to general reserve | 150.00 | 150.00 |
| Net surplus in the statement of profit and loss | 5703.58 | 5040.17 |
| Total Reserves and Surplus | 16969.47 | 16213.72 |

| 3. | LONG TERM BORROWINGS | Current Maturities | | Non-Current Portion | |
|-----|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | 31-03-2014 (Rs. In Lacs) | 31-03-2013 (Rs. In Lacs) | 31-03-2014 (Rs. In Lacs) | 31-03-2013 (Rs. In Lacs) |
| 3.1 | Term Loans | | | | |
| | Indian rupee loan from banks (secured) (Secured by first equitable mortgage of specified immovable property and / or hypothecation of specified movable assets and guaranteed by Directors) | 492.21 | 560.43 | 1673.68 | 2113.09 |
| | From other parties (secured) (Secured by hypothecation of specified movable assets and guaranteed by Directors) | 41.65 | 165.82 | 16.68 | 58.32 |
| 3.2 | The above amount includes | | | | |
| | Secured borrowings | 533.86 | 726.25 | 1690.36 | 2171.41 |
| | Unsecured borrowings | - | - | - | - |
| | Net Amount | 533.86 | 726.25 | 1690.36 | 2171.41 |
| 4. | DEFERRED TAX LIABILITY (NET) | | | | |
| | Deferred Tax Liability | | | | |
| | Related to fixed assets | | | 570.53 | 614.66 |
| | Gross Deferred Tax Liability | | | 570.53 | 614.66 |
| | Deferred Tax Assets | | | | |
| | Disallowances U/s 43B of Income Tax Act, 1961 | | | 272.49 | 267.69 |
| | Other disallowances under the Income Tax Act, 1961 | | | 20.04 | 19.13 |
| | Gross Deferred Tax Asset | | | 292.53 | 286.82 |
| | Net Deferred Tax Liability | | | 278.00 | 327.84 |
| 5. | SHORT TERM BORROWINGS | | | | |
| | Secured | | | | |
| | Cash Credit / WCDL from banks * | | | 1684.54 | 2721.29 |
| | Unsecured | | | | |
| | Deposits from public | | | 400.41 | 366.35 |
| | | | | 2084.95 | 3087.64 |

* Secured by first charge by way of hypothecation of mining & stone related business stock, book debts, etc and equitable mortgage on specific immovable property and second charge over the fixed assets of the Company and guaranteed by Director.

Associated Stone Industries (Kotah) Ltd.

| | As at 31-03-2014 (Rs. In Lacs) | As at 31-03-2013 (Rs. In Lacs) |
|--|--------------------------------------|--------------------------------------|
| 6. TRADE PAYABLES | | |
| Trade payables (including acceptances) (refer Note given below) | - | 3019.59 |
| | <u>-</u> | <u>3019.59</u> |

(a) Trade Payable includes bills to the extent Rs. NIL Lacs (Previous year Rs. 2999.41 Lacs) accepted by the Company under letter of credit facility granted by IDBI Bank Ltd., Jaipur. LC facility secured by first charge by way of hypothecation of trading business related stock, book debts, etc. and equitable mortgage on specific immovable property and guaranteed by Directors.

(b) In absence of proper details 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. OTHER CURRENT LIABILITIES

| | | |
|---|----------------|----------------|
| Current maturities of long term borrowings (Ref.note No. 3) | 533.86 | 726.25 |
| Interest accrued but not due on borrowings | 32.51 | 35.97 |
| Unclaimed dividend # | 22.64 | 17.17 |
| Unclaimed matured public deposits # | 3.92 | 1.92 |
| Other security deposits | 3.35 | 22.19 |
| Advance from customers | 345.28 | 389.39 |
| Statutory liabilities | 654.85 | 706.11 |
| Other payables | 703.69 | 575.90 |
| | <u>2300.10</u> | <u>2474.90</u> |

these figures do not include any amounts, due and outstanding , to be credited to Investor Education and Protection Fund.

8. SHORT TERM PROVISIONS

| | | |
|---------------------------------|---------------|---------------|
| Provision for employee benefits | 105.65 | 126.92 |
| Proposed dividend | 165.71 | 165.71 |
| Tax on proposed dividend | 28.16 | 28.16 |
| | <u>299.52</u> | <u>320.79</u> |

9. FIXED ASSETS (AT COST)

(Rupees in Lacs)

| | GROSS BLOCK | | | | DEPRECIATION / AMORTIZATION | | | NET BLOCK | | |
|--------------------------|---------------------|-------------------------|-----------------------|---------------------|-----------------------------|-----------------|-----------------------|---------------------|---------------------|---------------------|
| | As at 01.04.2013 | Additions/ Disposals | Sales / Other Adj. | As at 31.03.2014 | As at 01.04.2013 | For the year | Sales / Other Adj. | As at 31.03.2014 | As at 31.03.2014 | As at 31.03.2013 |
| Tangible Assets | | | | | | | | | | |
| Land | 9760.93 | | 184.65 | 9576.28 | - | - | - | - | 9576.28 | 9760.93 |
| Buildings | 4408.69 | 1.89 | 18.75 | 4391.83 | 439.76 | 197.92 | 12.09 | 625.59 | 3766.24 | 3968.93 |
| Plant and Machinery | 4330.03 | 68.64 | 152.09 | 4246.58 | 1769.02 | 273.67 | 96.59 | 1946.10 | 2300.48 | 2561.01 |
| Furniture and Fixtures | 108.91 | 0.73 | 3.14 | 106.50 | 49.78 | 10.96 | 2.75 | 57.99 | 48.51 | 59.13 |
| Dumpers & Vehicles | 2300.71 | 150.60 | 91.64 | 2359.67 | 1146.10 | 305.36 | 83.53 | 1367.93 | 991.74 | 1154.61 |
| Office Equipments | 12.88 | 0.51 | - | 13.39 | 5.73 | 1.03 | - | 6.76 | 6.63 | 7.15 |
| Total (A) | 20922.15 | 222.37 | 450.27 | 20694.25 | 3410.39 | 788.94 | 194.96 | 4004.37 | 16689.88 | 17511.76 |
| Intangible Assets | | | | | | | | | | |
| Surface Right | 113.46 | 2.13 | - | 115.59 | 105.91 | 2.36 | - | 108.27 | 7.32 | 7.55 |
| Total (B) | 113.46 | 2.13 | - | 115.59 | 105.91 | 2.36 | - | 108.27 | 7.32 | 7.55 |
| Total (A+B) | 21035.61 | 224.50 | 450.27 | 20809.84 | 3516.30 | 791.30 | 194.96 | 4112.64 | 16697.20 | 17519.31 |
| Previous Year | 17588.97 | 3728.34 | 281.70 | 21035.61 | 2972.21 | 775.98 | 231.89 | 3516.30 | 17519.31 | 14616.76 |
| Capital work-in progress | | | | | | | | | 14.73 | 5.29 |

Note: Land value includes Rs. 8890.01 Lacs (Previous Year Rs. 9043.23 Lacs) on account of revaluation during the Financial Year 2006-07.

Associated Stone Industries (Kotah) Ltd.

| | As at 31-03-2014 (Rs. In Lacs) | As at 31-03-2013 (Rs. In Lacs) |
|---|--------------------------------------|--------------------------------------|
| 10. NON CURRENT INVESTMENTS | | |
| (Long Term Investment) | | |
| Investment in Equity (unquoted) | | |
| a) Investment in Associates | | |
| 410000 Equity shares of Rs 10/- each fully paid up in Stone Masters (India) Pvt. Limited | 41.00 | 41.00 |
| 100 Equity shares of Rs.10/- each fully paid up in Oasis Cement Ltd. | 0.01 | 0.01 |
| b) Investment in Others | | |
| 100 Equity shares of Rs.25/- each fully paid up in Sarvodaya Sahakari Samiti Limited | 0.03 | 0.03 |
| | <u>41.04</u> | <u>41.04</u> |
| Aggregate amount of Unquoted Investments | 41.04 | 41.04 |
| 11. LONG TERM LOANS AND ADVANCES | | |
| (unsecured and considered good) | | |
| Capital advances | 195.22 | 165.38 |
| Security deposit | 81.54 | 39.47 |
| Advance Income Tax (Net of provision) | 273.39 | 240.39 |
| Others | - | 1.89 |
| | <u>550.15</u> | <u>447.13</u> |
| 12. CURRENT INVESTMENTS | | |
| (at cost or fair value, whichever is less) | | |
| Other Investments | | |
| Investment in debt scheme of BOI AXA | | |
| Mutual Fund 27146.999 units (Previous year Nil) | 400.00 | - |
| | <u>400.00</u> | <u>-</u> |
| 13. INVENTORIES | | |
| Work-in-progress | 533.02 | 366.86 |
| Finished goods | 510.82 | 701.36 |
| Traded goods | 3.42 | 20.13 |
| Stores & spares (includes goods-in-transit Rs. 0.62 Lacs (P.Y Rs. 2.45 Lacs) | 148.23 | 173.96 |
| | <u>1195.49</u> | <u>1262.31</u> |
| Inventories are valued at cost or net reliasable value, whichever is lower. | | |
| 14. TRADE RECEIVABLES | | |
| (Unsecured, Considered good unless stated otherwise) | | |
| Less than six months | 3856.91 | 6427.51 |
| More than six months | 291.37 | 542.63 |
| More than six months - doubtful | 58.96 | 59.03 |
| | <u>4207.24</u> | <u>7029.17</u> |
| Less: Provision for doubtful receivables | 58.95 | 58.95 |
| | <u>4148.29</u> | <u>6970.22</u> |

| | As at 31-03-2014 (Rs. In Lacs) | As at 31-03-2013 (Rs. In Lacs) |
|--|--------------------------------------|--------------------------------------|
| 15. CASH AND BANK BALANCES | | |
| 15.1 Cash and Cash equivalents | | |
| Cash on hand | 39.97 | 24.85 |
| Balance with banks: | | |
| Current accounts | 121.90 | 703.05 |
| Unclaimed dividend accounts | 22.63 | 17.16 |
| | <u>184.50</u> | <u>745.06</u> |
| 15.2 Other Bank Balances | | |
| Margin Money Deposit* | 26.08 | 326.59 |
| Others # | 219.85 | 212.85 |
| | <u>245.93</u> | <u>539.44</u> |
| | <u>430.43</u> | <u>1284.50</u> |
| * Pledged with the Bank towards Letter of Credit and Bank Guarantee facilities availed by the Company. | | |
| # Pledged with Government Department as security Rs. 157.85 Lacs (previous year Rs. 157.85 Lacs). | | |
| 16. SHORT TERM LOANS & ADVANCES | | |
| (Unsecured and considered good) | | |
| Deposits | 11.56 | 11.56 |
| Loans to employees | 4.75 | 8.72 |
| Advances against purchase & expenses | 6.74 | 11.21 |
| Balances with statutory Government authorities | 171.73 | 121.50 |
| Others | 509.59 | 523.48 |
| | <u>704.37</u> | <u>676.47</u> |
| 17. OTHER CURRENT ASSETS | | |
| Interest accrued on fixed deposits | 2.63 | 9.35 |
| Miscellaneous expenditure (to the extent not w/o) (Ref note no. 30) | 100.91 | 63.11 |
| | <u>103.54</u> | <u>72.46</u> |
| 18. REVENUE FROM OPERATIONS | 2013-14 | 2012-13 |
| Sale of products | 13073.62 | 17483.29 |
| Other operating revenue | - | - |
| Revenue from Operations | <u>13073.62</u> | <u>17483.29</u> |
| Details of Products sold | | |
| Finished Goods Sold | | |
| Stones* | 10891.93 | 11421.21 |
| Wind power | 147.41 | 170.15 |
| Traded Goods Sold | <u>2034.28</u> | <u>5891.93</u> |
| | <u>13073.62</u> | <u>17483.29</u> |

* Sale of stones includes royalty recovered Rs 1365.72 Lacs (previous year Rs.1475.62 Lacs)

Associated Stone Industries (Kotah) Ltd.

| | 2013-2014 (Rs. In Lacs) | 2012-2013 (Rs. In Lacs) |
|--|----------------------------|----------------------------|
| 19. OTHER INCOME | | |
| Interest on bank deposits | 42.84 | 46.58 |
| Interest from others | 138.74 | 45.24 |
| Net gain on foreign exchange transaction | 2.44 | 0.39 |
| Surplus on sale of fixed assets | 25.51 | 21.00 |
| Others | 64.07 | 89.79 |
| | <u>273.60</u> | <u>203.00</u> |
| 20. PURCHASE OF TRADE INVOICES | <u>1996.44</u> | <u>5713.63</u> |
| | <u>1996.44</u> | <u>5713.63</u> |
| 21. CHANGE IN INVENTORIES OF FINISHED GOODS WORK IN PROGRESS AND STOCK IN TRADE | | |
| 21.1 Inventories (at close) | | |
| Work-in-progress | 533.02 | 366.86 |
| Finished goods | 510.82 | 701.36 |
| Traded goods | 3.42 | 20.13 |
| | <u>1047.26</u> | <u>1088.35</u> |
| 21.2 Inventories (at commencement) | | |
| Work-in-progress | 366.86 | 488.51 |
| Finished goods | 701.36 | 962.51 |
| Traded goods | 20.13 | 20.13 |
| | <u>1088.35</u> | <u>1471.15</u> |
| (Increase) / Decrease in inventories | <u>41.09</u> | <u>382.80</u> |
| 22. EMPLOYEE BENEFIT EXPENSES | | |
| Salaries, wages and bonus | 2369.12 | 2121.09 |
| Directors' remuneration | 61.20 | 55.35 |
| Contribution to provident fund | 220.64 | 200.15 |
| Contribution to approved gratuity fund (note no. 38) | 213.17 | 68.20 |
| Staff welfare expenses | 39.21 | 31.65 |
| | <u>2903.34</u> | <u>2476.44</u> |
| 23. FINANCE COSTS | | |
| Interest | 566.75 | 721.98 |
| Interest on income tax | 0.75 | 8.55 |
| Bank charges | 10.75 | 11.59 |
| | <u>578.25</u> | <u>742.12</u> |
| 24. DEPRECIATION AND AMORTISATION EXPENSES | | |
| Depreciation of tangible assets | 788.94 | 773.47 |
| Depreciation of intangible assets | 2.36 | 2.51 |
| | <u>791.30</u> | <u>775.98</u> |

| | 2013-2014 (Rs. In Lacs) | 2012-2013 (Rs. In Lacs) |
|---|--|--|
| 25. OTHER EXPENSES | | |
| 25.1 Mining & Production Expenses | | |
| Purchase | 173.12 | 131.89 |
| Consumption of stores & spares | 352.93 | 378.40 |
| Raising & mining expenses | 170.40 | 347.72 |
| Power and fuel | 2153.07 | 2056.77 |
| Repairs to machinery | 159.69 | 150.44 |
| Royalty on stone | 1387.05 | 1518.81 |
| Others | 270.84 | 214.42 |
| | <u>4667.10</u> | <u>4798.45</u> |
| 25.2 Selling & Distribution Expenses | | |
| Commission on sales | 300.47 | 297.11 |
| Other selling and distribution expenses | 30.56 | 25.88 |
| | <u>331.03</u> | <u>322.99</u> |
| 25.3 Establishment Expenses | | |
| Rent | 2.53 | 7.65 |
| Rates and taxes | 47.50 | 138.70 |
| Insurance | 44.09 | 38.31 |
| Repairs to building & others | 41.60 | 33.35 |
| Legal and professional fees | 64.96 | 37.21 |
| Travelling expenses | 32.94 | 30.00 |
| Directors' sitting fees | 0.30 | 0.40 |
| Payment to auditor (Refer details below) | 7.25 | 6.40 |
| Charity & donations | 12.71 | 0.60 |
| General expenses | 230.42 | 238.80 |
| Prior period expenses | 0.93 | 1.32 |
| | <u>485.23</u> | <u>532.74</u> |
| | <u>5483.36</u> | <u>5654.18</u> |
| Payment to Auditors | | |
| Audit fees | 3.93 | 2.53 |
| Tax audit fees | 0.84 | 0.84 |
| Limited review | 0.84 | 0.84 |
| Reimbursement of expenses | 1.64 | 2.19 |
| | <u>7.25</u> | <u>6.40</u> |

Associated Stone Industries (Kotah) Ltd.

| | | 31-03-2014 (Rs. In Lacs) | 31-03-2013 (Rs. In Lacs) |
|------------|--|---|-------------------------------|
| 26. | Contingent Liability and Commitments | | |
| | (i) Contingent Liabilities | | |
| | a. Claims against the Company not acknowledge as debts | 162.09 | 147.84 |
| | b. Liabilities disputed for which no provision has been made in the accounts as same is contested in appeal by the Company | | |
| | i) Royalty | 67.37 | 67.37 |
| | ii) Others | 135.43 | 96.08 |
| | c. Counter guarantees given by the Company in respect of guarantees given by the Bank to Government authorities & others | 26.08 | 26.08 |
| | (ii) Commitments | | |
| | a. Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) | 528.03 | 435.74 |
| 27. | PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT THE REPORTING DATE | | |
| | Export Trade Receivable | Euro | 13741 |
| | | | 15633 |
| 28. | 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\$ 10,96,336.20 (Previous year US\$ 25,15,355.07) to be completed over a period of 8 years from June, 2007. | | |
| 29. | During the year, the Company has sold some of the land for Rs. 118.05 Lacs revalued in the earlier year. The profit on sale of such assets to the extent of revalued amount Rs. 95.56 lacs has been credited to General Reserve Account and the Revaluation Reserve Account has been debited to the extent of assets revalued earlier. | | |
| 30. | During the year under review, the Company has incurred expenditure of Rs. 37.80 lacs (Previous year Rs.18.49 lacs) towards feasibility study & other expenses for setting up of new ventures and same has been debited to pre-operative expenses and shown under the head of Other Current Assets. | | |
| 31. | Value of Stores, Spare Parts & Components Consumed | | |
| | | 2013-14 | 2012-13 |
| | | Value (Rs. In Lacs) | Value (Rs. In Lacs) |
| | | % | % |
| | Imported | 11.06 | 13.59 |
| | | 3.13% | 3.59% |
| | Indigenous | 341.87 | 364.81 |
| | | 96.87% | 96.41% |
| | | 352.93 | 378.40 |
| | | 100.00% | 100.00% |
| 32. | Value of Imports (CIF Basis) | 2013-14 (Rs. In Lacs) | 2012-13 (Rs. In Lacs) |
| | Stores, Spare Parts & Components | Nil | 24.71 |
| 33. | Captive Consumption of Raw Materials | | |
| | Rough Stone Quantity (Lacs sq. fts) | 5.83 | 9.51 |
| | Value (Rs. in lacs) | 34.30 | 44.44 |

| | 2013-2014 (Rs. In Lacs) | 2012-2013 (Rs. In Lacs) |
|-------------------------------------|----------------------------|----------------------------|
| 34. EXPENDITURE IN FOREIGN CURRENCY | | |
| Travelling | 9.47 | 9.94 |
| Legal & Professional Fees | 8.69 | - |
| 35. EARNING IN FOREIGN CURRENCY | | |
| Exports at F.O.B. Value | 40.41 | 13.30 |

36. EARNING PER SHARE (BASIC / DILUTED)

| | 2013-14 | 2012-13 |
|---|----------|----------|
| Net Profit (After Tax) as per Profit & Loss Account available for equity shareholders (Rs. In lacs) | 1007.28 | 1300.93 |
| Equity shares for calculation of earning per share of Rs. 5/- each (nos.) | 13256746 | 13256746 |
| Earning per share - Basic & Diluted (Rs.) | 7.60 | 9.81 |

37. RELATED PARTIES DISCLOSURE:

I Name of related parties and description of relationship

A Key Management Persons and relatives

1. Mr. Deepak Jatia
2. Mr. Tushya Jatia

B Enterprises over which key Management Person(s) have significant influence and enterprises having a key Management Person(s) in common

Stone Masters (India) Private Ltd.

II Transactions with related parties

(Rs. in lacs)

| Sr.No. | Particulars | Enterprises over which Key Management Person(s) have significant influence and enterprises having a key management person(s) in common | |
|--------|--|--|---------|
| | | 2013-14 | 2012-13 |
| 1 | Purchase of materials / finished goods | 54.83 | 53.97 |

III Details regarding payment made to key Managerial Persons

(Rs. in lacs)

| Sr.No. | Particulars | | |
|--------|--|---------|---------|
| | | 2013-14 | 2012-13 |
| | Managerial Remuneration | | |
| 1 | Salary | 61.20 | 55.35 |
| 2 | Contribution to Provident and other fund | 7.34 | 6.64 |
| | | 68.54 | 61.99 |

Associated Stone Industries (Kotah) Ltd.

38. Employee Benefits

(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 2014

| | Particulars | Gratuity (Funded) 31-03-2014 (Rs. in Lacs) | Gratuity (Funded) 31-03-2013 (Rs. in Lacs) |
|------------|--|---|---|
| I | Change in defined benefit obligation | | |
| | Projected benefit obligation at the beginning of the year | 897.94 | 845.19 |
| | Interest cost | 79.91 | 75.72 |
| | Current service cost | 42.36 | 35.63 |
| | Benefit paid | (113.52) | (96.31) |
| | Actuarial (gain) / loss on obligation | 172.59 | 37.71 |
| | Projected benefit obligation at the end of the year | 1079.28 | 897.94 |
| II | Change in Plan Assets | | |
| | Fair value of plan assets at the beginning of the year | 829.74 | 845.19 |
| | Expected return on plan assets | 85.22 | 75.72 |
| | Contributions by employers | 248.20 | - |
| | Benefit paid | (113.52) | (96.31) |
| | Actuarial gains / (loss) on plan assets | (3.53) | 5.14 |
| | Fair value of plan assets at the end of the year | 1046.11 | 829.74 |
| III | Actual return on Plan Assets | | |
| | Expected return on plan assets | 85.22 | 75.72 |
| | Actual gain / (loss) on plan assets | (3.53) | 5.14 |
| | Actual return on plan assets | 81.69 | 80.86 |
| IV | Amount recognized in the Balance Sheet | | |
| | Liability at the end of the year | 1079.28 | 897.94 |
| | Fair value of plan assets at the end of the year | 1046.11 | 829.74 |
| | Amount recognized in the balance sheet | 33.17 | 68.20 |
| V | Expenses recognized in the statement of Profit and Loss | | |
| | Current service cost | 42.36 | 35.63 |
| | Interest cost | 79.91 | 75.72 |
| | Expected return on plan assets | (85.22) | (75.72) |
| | Net actuarial gain / (Loss) to be recognized | 176.12 | 32.57 |
| | Expenses recognized in P & L | 213.17 | 68.20 |
| VI | Amount recognized in the Balance Sheet. | | |
| | Opening net liability | - | - |
| | Expenses as above | 213.16 | 68.20 |
| | Contributions by employers / benefits paid | - | - |
| | Amount recognized in the balance sheet | 213.16 | 68.20 |
| VII | Actuarial assumptions for the year | | |
| | Discount rate | 9.50% | 9.50% |
| | Rate of return on plan assets | 9.50% | 9.50% |
| | Rate of increase in compensation levels | 3.00% | 3.00% |

39. TURNOVER, PRODUCTION, PURCHASES, OPENING AND CLOSING STOCK OF GOODS

| | Turnover | | Production | | Purchases | | Opening Stock | | Closing Stock | |
|----------------------------------|-----------------|----------|----------------|---------|----------------|---------|---------------|---------|---------------|---------|
| | 2013-14 | 2012-13 | 2013-14 | 2012-13 | 2013-14 | 2012-13 | 2013-14 | 2012-13 | 2013-14 | 2012-13 |
| Rough Stone (Lacs Sq.Fts.) | 1244.91 | 1437.74 | 1205.76 | 1392.53 | 3.25 | 1.79 | 115.06 | 169.73 | 72.48 | 115.06 |
| Polished Stone (Lacs Sq.Fts.) | 18.02 | 12.90 | 5.61 | 9.15 | 8.62 | 6.94 | 9.20 | 6.43 | 5.16 | 9.20 |
| Wind Power (Lacs KW units) | 41.24 | 49.73 | 41.24 | 49.73 | | | | | | |
| Value (Stone) (Rs.in Lacs) | 10891.93 | 11421.21 | – | – | 173.12 | 131.89 | 701.36 | 962.51 | 510.82 | 701.36 |
| Value of Wind Power (Rs.in Lacs) | 147.41 | 170.15 | – | – | – | – | – | – | – | – |
| Trading (Rs. in Lacs) | 2034.28 | 5891.93 | – | – | 1996.44 | 5713.63 | 20.13 | 20.13 | 3.42 | 20.13 |
| Value (Rs. in Lacs) | 13073.62 | 17483.29 | – | – | 2169.56 | 5845.52 | 721.49 | 982.64 | 514.24 | 721.49 |

40. 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.

(i) Business Segments

(Rupees in Lacs)

| | Stone | | Wind Power | | Trading* | | Total | |
|-----------------------------------|-----------------|----------|----------------|---------|----------------|---------|-----------------|----------|
| | 2013-14 | 2012-13 | 2013-14 | 2012-13 | 2013-14 | 2012-13 | 2013-14 | 2012-13 |
| REVENUE | | | | | | | | |
| External Sales | 10891.93 | 11421.21 | 147.40 | 170.15 | 2034.28 | 5891.93 | 13073.62 | 17483.29 |
| Other Operating Income | – | – | – | – | – | – | – | – |
| Other Income | 263.23 | 197.79 | 10.37 | 5.21 | – | – | 273.60 | 230.00 |
| RESULTS | | | | | | | | |
| Profit before Finance Costs & Tax | 2148.45 | 2524.01 | (37.89) | (19.06) | 21.13 | 178.30 | 2131.69 | 2683.26 |
| Finance Costs | 578.25 | 703.40 | – | 38.72 | – | – | 578.25 | 742.12 |
| Profit / (Loss) Before Tax | 1570.20 | 1820.61 | (37.89) | (57.78) | 21.13 | 178.30 | 1553.44 | 1941.14 |
| Provision for Taxation | | | | | | | | |
| Current Tax | | | | | | | (596.00) | (683.00) |
| Deferred Tax | | | | | | | 49.84 | 50.60 |
| Income tax for Earlier Years | | | | | | | – | (7.81) |
| Net Profit / (Loss) | | | | | | | 1007.28 | 1300.93 |
| Other Information | | | | | | | | |
| Segment Assets | 22717.76 | 23430.24 | 1559.75 | 1723.84 | 7.73 | 3124.65 | 24285.24 | 28278.73 |
| (including revaluation) | | | | | | | | |
| Segment Liability | 4669.12 | 5883.50 | 20.01 | 20.01 | – | 2999.41 | 4689.13 | 8902.92 |
| Capital Expenditure Incurred | 233.94 | 546.90 | – | – | – | – | 233.94 | 546.90 |
| Depreciation | 673.76 | 658.44 | 117.54 | 117.54 | – | – | 791.30 | 775.98 |

* Trading of steel & other products

Associated Stone Industries (Kotah) Ltd.

(ii) Geographical Segments

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

| | 2013-14 (Rs. in lacs) | 2012-13 (Rs. in lacs) |
|---------------|--------------------------|--------------------------|
| India | 13033.21 | 17469.99 |
| Outside India | 40.41 | 13.30 |
| | 13073.62 | 17483.29 |

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.

41. A search was conducted by the Income Tax Department on the Company in August, 2013. The proceedings in this are continuing but the Company does not expect any addition as a consequence of the search.
42. Balances of Sundry Creditors, Sundry Debtors and Loans & Advances are subject to confirmation.
43. Previous year figures have been regrouped / reclassified wherever considered necessary to confirm to the current year presentation.

As per our Report of even date

B. L. AJMERA & CO.

Chartered Accountants
Firm Regn. No. 001100C

On Behalf of the Board of Directors

TUSHYA JATIA
(Executive Director)

DEEPAK JATIA
(Chairman & Managing Director)

C. VENKATESAN
Partner
Membership No. 010054

PAVAN SONI
(Chief Financial Officer)

UTTAM SHETTY
(Company Secretary)

Place: Mumbai
Date: 9th May, 2014

Place: Mumbai
Date: 9th May, 2014



Associated Stone Industries (Kotah) Limited

(CIN: L14101MH1945PLC256122)

Regd. Office: Marathon Innova, A Wing, 7th Floor, Off: G. K. Marg,
Lower Parel, Mumbai 400013.

Attendance slip

(to be signed and handed over at the entrance of the meeting venue)

| | |
|---------------------|--|
| Regd. Folio No. : | |
| No. of Shares held: | |

| | |
|--------------|--|
| DP ID* : | |
| Client ID* : | |

Full Name of the Member (in Block Letters) _____

Name of the Proxy _____

(to be filled-in if the Proxy Form has been duly deposited with the Company)

I, hereby record my presence at the 68th ANNUAL GENERAL MEETING of the Company at 419-B,
Kalbadevi Road, Joshiwadi 2nd Floor, Mumbai - 400002 on Friday the 26th September 2014 at 10.00 a.m.

Signature of the Member / Proxy

* Applicable for the members holding shares in electronic form.

..... **Please cut here**



Associated Stone Industries (Kotah) Limited

(CIN: L14101MH1945PLC256122)

Regd. Office: Marathon Innova, A Wing, 7th Floor, Off: G. K. Marg,
Lower Parel, Mumbai 400013.

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 read with Rule 19(3) of the
Companies (Management and Administration) Rules, 2014)

| | | | |
|------------------------|--|------------------------|--|
| Name of the Member(s): | | E-mail Id: | |
| Registered Address: | | Folio No. / Client Id: | |
| | | DP Id : | |

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

(1) Name : _____

Address : _____

E-mail Id : _____ or failing him

(2) Name : _____

Address : _____

E-mail Id : _____ or failing him

(3) Name : _____

Address : _____

E-mail Id : _____

As my / our proxy to vote (on poll) for me / us on my / our behalf at the 68th ANNUAL GENERAL MEETING of the Company to be held on **Friday, 26th September, 2014** at 10.00 a.m at 419-B, Kalbadevi Road, Joshiwadi, 2nd Floor, Mumbai - 400002, and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | RESOLUTIONS | For | Against |
|----------------|--|-----|---------|
| | Ordinary Business | | |
| 1 | Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors | | |
| 2 | Declaration of Dividend on Equity Shares | | |
| 3 | Re-Appointment of Mr. Tushya Jatia who retires by rotation | | |
| 4 | Appointment of Auditors and fixing their remuneration | | |
| | Special Business | | |
| 5 | Appointment of Smt. Anita Jatia a Director of the Company, liable to retire by rotation. | | |
| 6 | Appointment of Shri. Pramod G. Lath as an Independent Director | | |
| 7 | Appointment of Shri. Anshul M. Sonawala as an Independent Director | | |
| 8 | Appointment of Shri. Sanjay Seksaria as an Independent Director | | |
| 9 | Special Resolution Under Section 180(1) (c) of the Companies Act, 2013 for borrow money upto Rs.500 Crore over and above the aggregate of paid-up capital and free reserves of the Company. | | |
| 10 | Special Resolution Under Section 180(1) (a) of the Companies Act, 2013 for creation of security. | | |

Signed this _____ day of _____ 2014

Signature of the Share Holder _____

Affix
revenue
stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

* Applicable for members holding shares in electronic form.

Note: This form of proxy, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.