



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

Building from a Solid Foundation

---

67<sup>th</sup> Annual Report  
2012-2013

# Associated Stone Industries (Kotah) Ltd.

---

## BOARD OF DIRECTORS

DEEPAK JATIA, Chairman & Managing Director

TUSHYA JATIA, Executive Director

PADAM KUMAR PODDAR

PRAMOD G. LATH

ANSHUL M. SONAWALA

## COMPANY SECRETARY

UTTAM SHETTY

## MANAGEMENT EXECUTIVES

R. R. SONI, (Chief Executive Officer)

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

GEORGE MATHEW, G. M. (Import & Export)

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

S. M. MEENA, G. M. (Mines)

## AUDITORS

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

## BANKERS

HDFC Bank Limited  
IDBI Bank Limited

## REGISTERED OFFICE

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

## HEAD OFFICE

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

## WORKS

Ramganjmandi - 326519  
Dist. Kota, Rajasthan

---

## NOTICE

**NOTICE** is hereby given that the 67th Annual General Meeting of the members of **Associated Stone Industries (Kotah) Limited** will be held at the Registered Office of the Company at ASI House, Kudayala Industrial Area, Ramganjmandi, Dist. Kota, 326519 (Rajasthan), on Friday, the 23rd August, 2013 at 10.00 a.m. to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and Statement of Profit and Loss for the year ended on that date together with the reports of Directors and Auditors.
2. To declare Dividend on Equity Shares for the financial year ended on 31st March, 2013.
3. To appoint a Director in place of Shri Anshul M. Sonawala, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. B. L. Ajmera & Company, Chartered Accountants as Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. 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.
3. 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.
4. 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.
5. The Register of Members and the Share Transfer Books of the Company will be closed from **Friday, the 16th August, 2013 to Friday, 23rd August, 2013**, both days inclusive.
6. 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.

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. 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 attached herewith.
9. 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.
10. 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 mode 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.
11. 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.

By Order of the Board of Directors

Place: Mumbai  
25th June, 2013

**Uttam Shetty**  
**Company Secretary**

**Registered Office:**  
ASI House, Kudayala Industrial Area,  
Ramganjmandi, Dist. Kota, 326519 (Rajasthan)

## Associated Stone Industries (Kotah) Ltd.

Details of Directors seeking appointment / reappointment in Annual General Meeting fixed for 23rd August, 2013

<b>Name of Director</b>	<b>Shri Anshul M. Sonawala</b>
Date of Birth	12th December, 1986
Date of Appointment	2nd December, 2009
Qualification	B. Com., BMS
Expertise in specific functional areas	Finance & Marketing
Directorship in other Indian Public Ltd. Companies as on 31.03.2013	Sonawala Industries Limited
Chairman / Member of the Committees of the Board of other Indian Public Limited Companies as on 31.03.2013	Nil
No. of Shares held in the Company	Nil

## DIRECTORS' REPORT

To  
The Members,  
Associated Stone Industries (Kotah) Limited

The Directors have pleasure in presenting the 67th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2013:

### 1. FINANCIAL RESULTS:

	(Rs. in lacs)	
	<u>2012-13</u>	<u>2011-12</u>
<b>Total revenue</b>	<b>17686.29</b>	17088.19
Profit before finance cost & depreciation	<b>3459.24</b>	2638.34
<i>Less:</i> Finance Cost	<b>742.12</b>	601.82
Depreciation	<b>775.98</b>	<u>577.20</u>
Profit before taxation	<b>1941.14</b>	1459.32
Provision for taxation		
Current tax	<b>(683.00)</b>	(522.00)
Deferred tax	<b>50.60</b>	43.15
Earlier year adjustments	<b>(7.81)</b>	<u>(37.60)</u>
<b>Profit for the year (after tax)</b>	<b>1300.93</b>	942.87
<i>Add:</i> Balance in Profit & Loss Account	<b>4083.11</b>	<u>3419.32</u>
Profit available for appropriation	<b>5384.04</b>	<u>4362.19</u>
<b>Appropriations</b>		
Transfer to general reserve	<b>150.00</b>	125.00
Proposed dividend	<b>165.71</b>	132.57
Tax on dividend	<b>28.16</b>	21.51
Closing balance	<b>5040.17</b>	<u>4083.11</u>
	<b>5384.04</b>	<u>4362.19</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 1392.53 lacs sq. ft. as against 1461.10 lacs sq. ft. in the previous year and sales were 1437.74 lacs sq. ft. as against 1450.58 lacs sq. ft. in the previous year.

During the year 2012-13 the Company has registered revenue from operations of Rs. 17686.29 Lacs (previous year Rs. 17088.19 Lacs) and Gross Profit of Rs. 3459.24 Lacs (previous year Rs. 2638.34 Lacs).

The profit before taxation during the year 2012-13 is Rs. 1941.14 Lacs as compared to Rs. 1459.32 Lacs during the previous year 2011-12.

### 4. WIND POWER PROJECT

As a part of its efforts to augment "Green Power", the Company has so far installed 4.75 MW capacity wind power projects comprising of 1.125 MW capacity in Tiruppur District of Tamil Nadu, 1.125 MW in Gadag District of Karnataka and 2.50 MW capacity in Satara District of Maharashtra.

The Wind Power generations are basically depends on flow of winds and also depends on climatic conditions and hence variations occurs in generation of power from time to time. Generally such projects are not commercially viable. 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 applied for such Carbon Credit for 4.75 MW bundled Wind Power Project which has been approved by M/s. TUV India Pvt. Ltd. (a subsidiary of TUV Nord, Germany) and registered with UNFCCC, Born, Germany from 1st May 2011 for issue of Carbon Credit Certificate. Once the Certificate is issued by the UNFCCC, the Company will be eligible to get Carbon Credit benefit for 10 years on the basis of yearly generation and Carbon Credit Certificates can be traded in the Carbon Credit market.

### 5. HEALTH, SAFETY & ENVIRONMENT

Health and Safety are the issues getting major attention of Regulatory Authorities. Govt. is insisting on regular health checkup of mine workers especially for respiratory diseases. Regular health camps have been organized at the workplace to diagnose any serious ailment amongst workers. Maintaining a good, clean & cool environment at its workplace is the top most priority of the Company. The Company deploys highly mechanized and Technological safety equipments maintaining high safety standards in mining of waste zone.

# Associated Stone Industries (Kotah) Ltd.

---

Environmental issue is a great concern from recent past. Company has been complying with all environmental requirements and has set up a separate Environment Cell to monitor various parameters and taking up corrective steps in case of any deviation. Special attention is paid on plantation by planting thousands of trees on the waste land in the mining area turning them into lush pockets of greenery and on rightful conservation of water source.

## 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. Anshul M. Sonawala retires by rotation in accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company but being eligible, offers himself for reappointment.

## 9. AUDITORS

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

## 10. STATUTORY INFORMATION

The 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 has 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, 2013 was Rs. 366.35 Lacs.

## 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  
27th May, 2013

Deepak Jatia  
Chairman & Managing Director

## ANNEXURE TO DIRECTORS' REPORT

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

### CONSERVATION OF ENERGY

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

Although Company's operations are not high power consuming, yet all efforts are made to conserve energy by way of improving power factor, using day lights for office working, reducing air conditioning and providing central cooling instead.

### TECHNOLOGY ABSORPTION / RESEARCH & DEVELOPMENT

Research and Development always remained a central issue for the Company's growth and prosperity. The company has taken up research project for improving the production and minimizing the breakage ratio to increase yield.

**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  
27h May, 2013

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 slowdown in the growth of the 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 will also be affected in coming years due to panic created in between small mines owners because of the environmental issue which is great concern today. The company has to foresee the situation in its favour in near future.

Therefore company does not propose 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 debtor's level.

Company believes that value added products should be introduced in the market which will fetch a better price. Company has taken advanced precautionary measures for cost reduction, quality improvement and strengthening the supervision to achieve production target.

### REVIEW:

Financial results for the year ended 31st March, 2013, segment wise are as under:-

(Rs. in Lacs)

Particulars	Stone	Wind Power	Trading	Total	
	2012-13	2012-13	2012-13	2012-13	2011-12
<b>REVENUE</b>					
Sales	11421.21	170.15	5891.93	17483.29	16908.68
Other Operating Income	-	-	-	-	48.45
Other income	197.79	5.21	-	203.00	131.06
<b>RESULTS</b>					
Profit before Finance					
Cost & Tax	2524.02	(19.06)	178.30	2683.26	2061.14
Less: Finance Cost	(703.40)	(38.72)	-	(742.12)	(601.82)
Profit/(Loss) Before Tax	1820.62	(57.78)	178.30	1941.14	1459.32
Tax Expenses				(640.21)	516.45
<b>Net Profit / (Loss)</b>				<b>1300.93</b>	<b>942.87</b>

# 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. However, continuous increase in the wages, fuel and other additives 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 a better tomorrow with a cleaner & greener environment. Company has set up a separate Environment Cell for monitoring various parameters and abiding by all the rules, regulations & guidelines and restrictions outlined in the Environment Clearance by Ministry of Environment & Forests and for 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 and achieved its profitability targets set for the year. 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 is reaching nearby the lease boundaries, hence the Company has to acquire more lease area adjoining to existing lease area and to purchase more land to continue the mining operations for many more years. 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

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

The Company is maintaining good industrial relations, carrying on its operations professionally & economically, abiding by regulatory requirement especially on safety, health and environmental front which helps in maintaining its leadership in the industry.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has maintained adequate internal control systems & procedures and it reviewed and suitably amended 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

Company has always recognized human resource as assets of the Company and created a good culture & environment where it enjoys the co-operation of highly satisfied human assets. This could be possible only by mutual understanding and maintaining harmonious and cordial Industrial Relations throughout the year. The Company has also organized training and lectures at regular intervals for quality & skill development. This has helped in the improvement in productivity and optimum utilization of Company's resources including human resources.

## CORPORATE SOCIAL RESPONSIBILITIES

Company is keen in discharging its social commitment by always showing its appearance by helping and contributing during various social cause 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 graduate college, participating in the management of 50 bedded hospital and providing financial support in the form of scholarships for higher education. The Company has provided all support during the Dengue epidemic in Kumbhkot and surrounding villages of nearby mining area.

The Company is also receiving various proposals from local Government bodies for participating in Corporate Social Responsibilities at mass such as cleaning of hospital, construction of new cottage rooms, providing bus facility to college girls which are under consideration with the management.



## 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, 2013, Seven Board Meetings were held on 8th May 2012, 30th May 2012, 5th July 2012, 10th August 2012, 1st November 2012, 24th January 2013 and on 21st March, 2013. 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 24th August, 2012
Shri. Deepak Jatia	7	Present
Shri. Padam Kumar Poddar	7	-
Shri Pramod G. Lath	7	Present
Shri. Tushya Jatia	7	Present
Shri. Anshul M. Sonawala	6	-

### 3. AUDIT COMMITTEE

The Board constituted an Audit Committee of Directors comprising Members well versed in finance & accounts / legal matters and general business practices. During the Financial Year ended 31st March 2013, four Audit Committee Meetings were held on 30th May 2012, 10th August, 2012, 1st November 2012 & on 24th January, 2013.

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.
- Recommending the appointment and removal of external Auditor, fixation of audit fee and also approval for payment of any other services.

# Associated Stone Industries (Kotah) Ltd.

- c. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
- Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with stock exchange and legal requirements concerning financial statements.
  - Compliance with accounting standards.
  - 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 the committee meeting was held on 5th July 2012. The composition of the Remuneration Committee and attendance at each meeting is as under:-

Name of the Director	Category	No. of Meetings Attended
Shri Padam Kumar Poddar	Chairman	1
Shri Pramod G. Lath	Member	1
Shri Anshul M. Sonawala	Member	1

### 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 2012-13 are as under:

(Rs. In Lacs)

Name of the Director	Salary	Perquisites & Allowances	Total	Stock Option Granted (Nos)
Shri. Deepak Jatia Chairman & Managing Director	40.20	4.82	45.02	Nil
Shri. Tushya Jatia Executive Director	15.15	1.82	16.97	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 2013, Committee Meetings were held on 17th October, 2012 & on 12th November 2012.

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 8 times during the financial year 2012-2013 to facilitate speedy disposal of transfer of shares & other related matters.

There were no pending/unattended complaints as on March 31, 2013.

## 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
66th AGM	24th August, 2012	Registered Office of the Company, ASI House, Kodayala Industrial Area, Ramganjmandi 326519.	9.00 a.m.
65th AGM	10th August, 2011	Registered Office of the Company, ASI House, Kodayala Industrial Area, Ramganjmandi 326519.	9.00 a.m.
64th AGM	27th August, 2010	Registered Office of the Company, Bazar No.1, Ramganjmandi 326519.	9.00 a.m.

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

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

### II. Details of resolutions passed last year (i.e during Financial Year 2012-13) through Postal Ballot, the person who conducted the Postal Ballot exercise and details of the voting pattern:

No Postal ballot was conducted during the financial year 2012-13.

## 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.
- ii) The Company has complied with the requirement of the regulatory authorities on capital markets and no penalty has been imposed or stricture passed during last three years.
- iii) No personnel have been denied access to the Audit Committee.
- iv) The Company has complied with the mandatory requirements of Corporate Governance Clause of Listing Agreement. Non mandatory requirements have been complied with in so far as they relate to appointment of Remuneration Committee.

## 8. MEANS OF COMMUNICATION

- i) The quarterly, half yearly and yearly results are published in Business Standard (English daily) news paper (having all India editions) and in Seema Sandesh or 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](http://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 email ID for Investors complaints viz: [investors@asistone.com](mailto:investors@asistone.com).

# Associated Stone Industries (Kotah) Ltd.

## 9. GENERAL SHAREHOLDER INFORMATION

**Registered Office:** ASI House, Kudayala Industrial Area, Ramganjmandi 326519. Dist. Kota, Rajasthan  
Tel : 07459 – 645100 Fax: 07459 – 220143

### Annual General Meeting:

Date and Time: 23rd August, 2013 at 10.00 a.m.  
Venue: At the Registered Office of the Company.

### Financial Calendar

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

### Date of Book Closure :

**16th August 2013 to 23rd August, 2013**  
(Both days inclusive)

### Dividend payment :

The Board of Directors at their meeting held on 27th May 2013, have recommended a dividend of Rs. 1.25 per equity share of Rs. 5/- each for the financial year ended 31.03.2013, 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 23rd August 2013.

### 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 2013-2014.

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

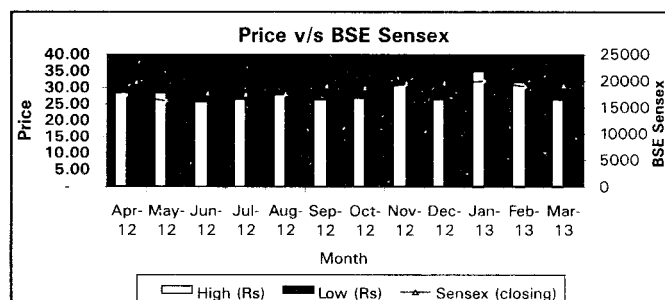
### Stock Price Data

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, 2012	28.45	22.25	October, 2012	26.90	23.00
May, 2012	28.20	24.40	November, 2012	30.95	24.20
June, 2012	25.90	23.55	December, 2012	26.25	23.55
July, 2012	26.45	22.60	January, 2013	35.15	23.25
August, 2012	28.25	21.75	February, 2013	31.70	25.25
September, 2012	26.45	22.70	March, 2013	26.25	22.05

## 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

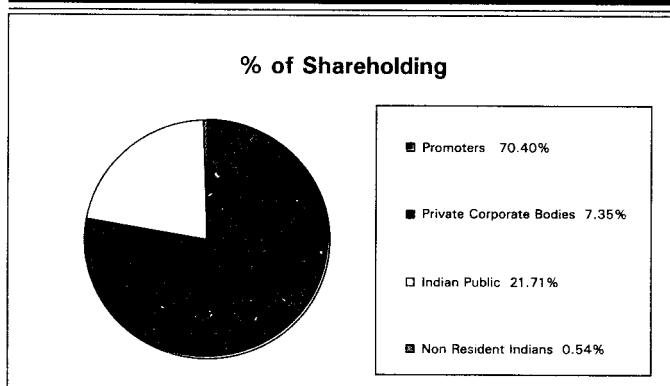
The shares for transfer received in physical form are transferred expeditiously, provided the documents are complete and the shares under transfer are not under any dispute. The share certificates duly endorsed are returned immediately to shareholders. Confirmation in respect of requests for dematerialisation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

## Distribution of shareholding as on 31st March, 2013

No. of Equity Shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares held	Percentage of shareholding
Upto 500	1773	68.219	336566	2.539
501 to 1000	403	15.506	332643	2.509
1001 to 2000	157	6.041	250361	1.889
2001 to 3000	63	2.424	162217	1.224
3001 to 4000	45	1.731	164603	1.242
4001 to 5000	27	1.039	125777	0.949
5001 to 10000	61	2.347	444579	3.352
10001 and above	70	2.693	11440000	86.296
Grand Total	2599	100.00	13256746	100.00

## Shareholding Pattern as on 31st March, 2013

Category	No. of Shares held	Percentage
Promoters	9333140	70.40
Banks, Financial institutions	-	-
Private Corporate Bodies	974433	7.35
Indian Public	2877858	21.71
NRI	71315	0.54
<b>Total</b>	<b>13256746</b>	<b>100.00</b>

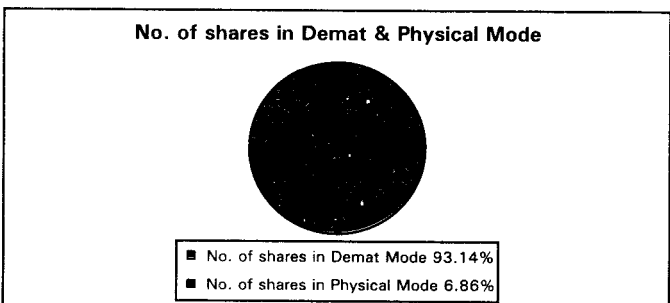


**Plant Location :**

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

**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, 2013, 93.14% of the total outstanding shares were held in dematerialized form.



The Annual custody fees for the year 2013-14 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.

**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, 2013.

**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, 2013.

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

Mumbai  
27th May, 2013

**Deepak Jatia**  
Chairman & Managing Director

# Associated Stone Industries (Kotah) Ltd.

---

## 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 2013, 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: 27th May, 2013

**(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, 2013, 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. 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, 2013;
- b) in the case of the Statement of 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, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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: 27th May, 2013

**(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 compiled 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, 2013, according to the records of the Company and the information and explanations given to us, the following are the particulars of disputed dues (provided / contingent liability, as appropriate) on account of sales-tax, income-tax, custom duty, wealth-tax, service tax, excise duty and cess matters that have not been deposited on account of a dispute -



Name of the statute	Nature of the dues	Amount (Rs. / Lacs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act	Entry Tax	302.33	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

21) Based upon the audit procedures performed and information and explanations given by the management, no fraud on or by the Company has been noticed or reported during the course of audit.

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

Place: Mumbai  
Dated: 27th May, 2013

**(C. Venkatesan)**  
Partner  
Membership No.010054

- 10) The Company has not incurred any cash loss during the financial year covered by our audit and the immediately preceding financial year and has no accumulated loss.
- 11) The Company has not defaulted in repayment of dues to financial Institution / Bank / Debenture holders.
- 12) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The Company is not a chit fund, nidhi of mutual benefit fund / society.
- 14) The Company is not dealing or trading in shares, securities, debentures and other investments.
- 15) The Company has not given any guarantee for loans taken by others from banks or financial institution, the terms & conditions, whereof, in our opinion, are prima facie prejudicial to the interest of the Company
- 16) According to the information and explanation given to us, term loans availed by the Company were prima facie, applied during the year for the purposes for which the loans were obtained.
- 17) According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have prima facie, been not used during the year for long term investment and vice versa.
- 18) The Company has not made any issue of shares during the year.
- 19) The Company has not issued debenture during the year.
- 20) The Company has not made any public issue during the year.

# Associated Stone Industries (Kotah) Ltd.

## BALANCE SHEET AS AT 31st MARCH, 2013

	Note No.		As at 31.03.2013 (Rs. in lacs)	As at 31.03.2012 (Rs. in lacs)
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Fund</b>				
Share Capital	1	662.84		662.84
Reserves and Surplus	2	<u>16213.72</u>	<b>16876.56</b>	<u>15106.22</u> 15769.06
<b>Non-Current Liabilities</b>				
Long Term Borrowings	3	2171.41		2766.27
Deferred Tax Liabilities (Net)	4	<u>327.84</u>	<b>2499.25</b>	<u>378.25</u> 3144.72
<b>Current Liabilities</b>				
Short Term Borrowings	5	3087.64		2673.92
Trade Payables	6	3019.59		3061.38
Other Current Liabilities	7	2474.90		2847.69
Short Term Provisions	8	<u>320.79</u>	<b>8902.92</b>	<u>207.44</u> 8790.43
<b>Total</b>			<b><u>28278.73</u></b>	<u>27704.21</u>
<b>ASSETS</b>				
<b>Non Current Assets</b>				
<b>Fixed Assets</b>				
Tangible Assets	9	17511.76		14606.70
Intangible Assets		7.55		10.06
Capital Work-in-Progress		<u>5.29</u>		<u>3186.74</u>
		17524.60		17803.50
Non Current Investment	10	41.04		41.04
Long Term Loans and Advances	11	<u>447.13</u>	<b>18012.77</b>	<u>353.42</u> 18197.96
<b>Current Assets</b>				
Inventories	12	1262.31		1656.00
Trade Receivables	13	6970.22		6783.59
Cash and Cash Equivalents	14	1284.50		637.38
Short Term Loans and Advances	15	676.47		376.92
Other Current Assets	16	<u>72.46</u>	<b>10265.96</b>	<u>52.36</u> 9506.25
<b>Total</b>			<b><u>28278.73</u></b>	<u>27704.21</u>
Significant Accounting Policies Notes on Financial Statements	1 to 41			

As per our Report of even date

**B. L. AJMERA & CO.**

Chartered Accountants  
Firm Regn. No. 001100C

**ANSHUL M. SONAWALA**  
(Director)

**PAVAN SONI**  
(Chief Financial Officer)

**C. VENKATESAN**  
Partner  
Membership No. 010054

Place: Mumbai  
Date: 27th May, 2013

On Behalf of the Board of Directors

**DEEPAK JATIA**  
(Chairman & Managing Director)

**UTTAM SHETTY**  
(Company Secretary)

Place: Mumbai  
Date: 27th May, 2013

