

Associated Stone Industries (Kotah) Ltd.

56th Annual Report 2001-2002

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The Stone Masters



BOARD OF DIRECTORS

DEEPAK JATIA, *Vice Chairman & Managing Director*
 TONY JATIA, *Managing Director*
 C. S. LODHA
 SANWARMUL SHROFF
 NARENDRA S. KARNAWAT
 PADAMKUMAR PODDAR
 KETAN M. SHAH
 N. RAMKUMAR, *Nominee IFCI*

MANAGEMENT EXECUTIVES

MINING UNIT

C. S. JAIN, *Executive President*
 S. R. SONI, *Vice President & Secretary*
 D. K. PARIKH, *Vice President (Finance)*
 S. C. AGARWAL, *Vice President (Mines)*
 B. S. AGRAWAL, *Vice President (Sales)*

SPINNING UNIT

N. P. PODDAR, *Sr. President (Sales)*
 A. K. JAIN, *President (Commercial)*
 SUNIL MANDORA, *Vice President (Sales)*
 M. L. NAHAR, *Vice President (Commercial)*

AUDITORS

M/s. B. L. AJMERA & CO.
 Chartered Accountants
 M. I. Road, Jaipur - 302 001.

BANKERS

State Bank of Bikaner & Jaipur
 ICICI Bank Ltd.

REGISTERED OFFICE

Jatia Avenue, 15-B, RIICO Indl. Area,
 Neemrana, Dist. Alwar - 301 705.
 Rajasthan.

HEAD OFFICE MINING UNIT

419 - B, Kalbadevi Road,
 Joshivadi, 2nd Floor,
 Mumbai - 400 001.

SPINNING UNIT

Feltham House, J. N. Heredia Marg,
 Ballard Estate, Mumbai - 400 001.

WORKS

MINING UNIT

Ramganjmandi - 326 519.
 Dist. Kota - Rajasthan.

WORKS

SPINNING UNIT

Prerna Syntex (100% EOU)
 Jatia Avenue, 15-B, RIICO Indl. Area,
 Neemrana, Dist. Alwar - 301 705.
 Rajasthan.

Associated Stone Industries (Kotah) Ltd.

DIRECTORS' REPORT

To
The Members,
Associated Stone Industries (Kotah) Limited

The Directors have pleasure in presenting the 56th Annual Report together with the Audited Accounts of the Company for the year ended 31 March 2002:

1. FINANCIAL RESULTS

	(Rs. in lacs)	
	2002	2001
Sales	<u>9401.25</u>	<u>9822.73</u>
Profit before Interest and Depreciation	978.75	1839.13
Less : Interest	914.01	801.37
Depreciation	<u>652.25</u>	<u>643.63</u>
Profit / (Loss) for the year	(587.51)	394.13
Provision for Taxation		
Current Tax	(0.65)	34.50
Deferred Tax	<u>216.93</u>	-
Profit / (Loss) after tax	(371.23)	359.63
Less : Income tax and provisions of earlier years	-	0.14
	<u>(371.23)</u>	<u>359.49</u>
Add: Balance brought forward from the previous Year	<u>876.09</u>	<u>616.21</u>
Profit available for appropriation	<u>504.86</u>	<u>975.70</u>
Less: Transfer to General Reserve	-	99.61
Balance carried to Balance Sheet	<u>504.86</u>	<u>876.09</u>

2. DIVIDEND

The Board of Directors do not recommend dividend for the year.

3. REVIEW OF OPERATIONS

The turnover for the year was Rs. 9401.25 Lacs compared to Rs.9822.73 Lacs in the previous year. The exports are lower at Rs.3409.58 Lacs compared to Rs. 4636.36 in the previous year.

The economic downturn was compounded by the event of 11 September 2001 in USA followed by an attack on Indian Parliament on 13 December 2001 and recent disturbance in Gujarat are the main causes of negative working at Rs. 587.51 Lacs.

The deferred tax has been provided in accordance with Accounting Standard 22 – 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India as a result of which deferred tax liability of Rs.525.91 Lacs as on 01 April 2001 has been

debited to General Reserve and Rs.216.93 Lacs has been credited to Profit and Loss Account of the year in respect of deferred tax.

**4. PERFORMANCE OF DIVISIONS
MINING DIVISION**

The emphasis on Mechanisation and strategic planning, has resulted in achieving the highest production / sale since inception :

Particulars	2000-01	2001-02	Growth (%)
Production (Lac Mtrs.)	48.40	65.19	34.69
Sale (Lac Mtrs.)	46.24	65.63	41.93
Sale (Rs. in Lacs)	3094.01	4094.54	32.34

The Gross Profit is at Rs.612.90 Lacs (Rs.566.08 Lacs) with Profit at Rs.15.72 Lacs (Rs.210.45 Lacs).

The recessionary trend having set in due to factors stated above, the Company had to compete in the market. The advancement / high rains during the year (64 inches as against average of 36 inches) resulted in lower production with extra dewatering cost. The Company had opened new mouth heads at a substantial investment to keep up the progress, however, the benefit of this will continue to accrue in the years to come.

SPINNING DIVISION (PRERNA SYNTEX-100% EOU)

The yarn production was lower due to higher demand of finer count in the international market. The selling prices were also reduced despite soaring cotton prices.

The Division has registered turnover of Rs.5306.71 (Rs.6728.72), Gross Profit at Rs. 365.85 (Rs. 1273.05) with loss at Rs.603.23 (profit Rs. 183.68).

The Division has taken number of initiatives on cost reduction, improvement in efficiency and productivity.

5. FINANCIAL RESTRUCTURING

The Company had approached to IFCI Ltd. for financial restructuring, including fresh funding for captive Power Plant. The Company had re-approached to consider changes in the package approved by IFCI vide its letter No. Muro/Text/1133/2001-4316-A dated 26.03.2002, which is under their consideration.

6. SAFETY, HEALTH & ENVIRONMENT

The Company has been making sincere efforts to meet international standards for quality/quantity of its product, with emphasis on safety. Receiving the SIXTH National Safety Award (Mines) in March 2002 from His Excellency, Vice President of India stands the testimony of its commitment towards safety.



Your Company is the leader in Natural Stone Sector but give due importance to Environmental needs.

7. CORPORATE GOVERNANCE

The Company has complied with all 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 alongwith Auditors' Certificate on its compliance.

8. DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 217(2AA) of Companies Act, 1956, your Directors subscribe to the "Directors Responsibility Statement" and confirm that :

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- The Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis.

9. DIRECTORS

Shri. N.S. Karnavat and Shri. C.S. Lodha, Directors of the Company, retire by rotation in accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company but being eligible, offer themselves for reappointment.

Shri. Padam Kumar Poddar and Shri. Ketan M. Shah were appointed as Additional Directors of the Company by the Board of Directors on 06 May 2002 pursuant to Article 110 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956. Under the provisions of Section 260 of the Companies Act, 1956 and the said Article, they will hold office upto the date of ensuing Annual General Meeting. The Company has received notices from the members under section 257 of the Companies Act, 1956 signifying their intention to propose the appointment of Shri. Padam Kumar Poddar and Shri. Ketan M. Shah as Directors of the Company.

Shri. Nemnath Jatia, Chairman resigned on health ground. The Directors place on record its appreciation for his guidance, valuable advice in furthering the image and working of the Company. The Directors wish him good health.

Shri. Chandulal D. Thakker resigned from the Board of Directors. The Board record its appreciation for the services rendered during his tenure.

10. AUDITORS

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

11. STATUTORY INFORMATION

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

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

The Company has been accepting deposits within the meaning of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. The Fixed Deposits as on 31 March 2002 was Rs. 145.30 Lacs. A Deposit of Rs. 30,000 is lying unclaimed.

Pursuant to the provisions of Section 212 of the Companies Act, 1956, financial statements and other documents of subsidiary companies are annexed.

12. CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by Clause 32 of the Listing Agreement, Consolidated Financial Statements have been prepared by the Company in accordance with the requirement of Accounting Standard 21-'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India. The Audited Consolidated Financial Statements form part of the Annual Report.

13. APPRECIATION

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

On behalf of the Board of Directors

Mumbai
28 June 2002

DEEPAK JATIA
Director

TONY JATIA
Director

Associated Stone Industries (Kotah) Ltd.

ANNEXURE TO DIRECTORS' REPORT

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

A CONSERVATION OF ENERGY**MINING UNIT**

The aforesaid information is not applicable to the Mining Unit. However, adequate measures have been taken for optimum utilisation of energy.

TEXTILE UNIT**a) Energy Conservation Measures taken**

- i) Optimising the operations of humidification plant, Waste Collection System, Muratec Autoconer suction fans and capacity of air compressor.
- ii) Installed cherry savers in lighting circuit.

b) Additional investments and proposal for reduction of consumption of energy :

- (i) Install energy efficient impellers in Ring Frame Machines on overhead cleaners.
- (ii) Install invertors in Compressors.

c) Impact of the above measures :

Additional saving of 500 to 1000 units per day have been recorded.

d) Total Energy Consumption and Energy consumption per unit of production.

	2002	2001
1. Power and Fuel Consumption Electricity		
a) Purchased		
Unit (KWH in lacs)	NIL	NIL
Total Amount (Rupees in lacs)	NIL	NIL
Rate / Unit (Rupees)	NIL	NIL
b) Own Generation (Through Diesel Generator)		
Unit (KWH in lacs)	167.46	186.15
Unit Per Ltr. of Diesel	3.63	3.68
Cost / Unit (Rupees)	4.13	3.95
2. Consumption Per Unit of Production Electricity (KWH) Yarn (100 kgs)	313.19	298.57

TECHNOLOGY ABSORPTION**RESEARCH & DEVELOPMENT****MINING UNIT**

Technological advances will make many products obsolete. Therefore, the Company continues to acquire new skill and innovate new process and product application in working.

TEXTILE UNIT**1. Specific Areas**

Process testing and adjustments at all stages so as to ensure that the product meet International Quality Standards.

2. Benefits Derived

Required quality levels achieved without affecting productivity and yield.

3. Plan of Action

The focus is for better product yield, higher quality levels and customer satisfaction.

4. Expenditure of R&D

No capital expenditure incurred on R & D during the year under review.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**1. Efforts made**

Quantum Clearer units have been installed to produce contamination free yarn. New yarn conditioning equipment is being installed to improve yield, strength consistency, etc.

2. Benefits derived

Optimising manufacturing costs combined with improved quality of products resulting in enhanced customer satisfaction, improvement in existing process, commercialization of technology, cost reduction, export promotion, etc.

3. Imported Technology

None.

The Company has developed its product on its own.

FOREIGN EXCHANGE EARNING AND OUTGO.

Earning Rs. 2378.72 Lacs Outgo Rs. 110.79 Lacs.

On behalf of the Board of Directors

Mumbai
28 June 2002

DEEPAK JATIA
Director

TONY JATIA
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.

OVERVIEW

The year in retrospect was a tough one for the Industry in general. Unfortunately, a number of events had a dampening effect on the business sentiment of the industry, beginning from attack on World Trade Centre in USA on 11 September 2001 terrorist attack on Indian Parliament on 13 December 2001, and the recent disturbance in Gujarat. The State of Gujarat accounts for 30% of the sale of Kotah Stone. The Company took a number of initiatives on cost reduction, improve the productivity to compete in domestic and international markets.

SEGMENT ANALYSIS AND REVIEW

The key business segments are Mining (Stone) and Spinning (Yarn).

Segment-wise financial results for the year ended 31 March 2002 are as under:-

PARTICULARS	(Rs. in Lacs)					
	STONE		YARN		TOTAL	
	2002	2001	2002	2001	2002	2001
Sales	4094.54	3094.01	5306.71	6728.72	9401.25	9822.73
Profit before interest & depreciation	612.90	566.08	365.85	1273.05	978.75	1839.13
Less:- Interest	290.89	58.27	623.12	743.10	914.01	801.37
Depreciation	306.29	297.36	345.96	346.27	652.25	643.63
Profit / (Loss) for the year	15.72	210.45	(603.23)	183.68	(587.51)	394.13
Provision for Taxation					(0.65)	34.50
Net Profit / (Loss)					(588.16)	359.63

A. MINING DIVISION

KOTAH STONE is a commercial product used as a building material in the form of tile and slab. It is one of the most acceptable and reliable material for the building industry. Its durability is yet another irresistible feature.

1. INDUSTRY OUTLOOK

The Company is the market leader in Kotah Stone having 40% of market share.

Due to excellent geo-mechanical properties, Kotah Stone is being used extensively. The production has multiplied

many fold since 1945 to the present level of plus 200 lacs sq. mtrs. It was mainly used in residential construction but now 60% is being used in industrial and public utility buildings.

2. OPPORTUNITIES AND THREATS

Industrial growth is a sign of prosperity of any country and more so for a developing one. Kotah Stone over the past has proved to be an economical and suitable stone for flooring and wall cladding. The need of housing and Government commitment to provide accommodation to downtrodden, the demand of Kotah Stone will grow.

Kotah Stone has a large export potential, however, there are certain dampening factors such as phasing / removal of exports incentives, increase in the cost of production such as labour, fuel, transportation, etc.

3. PERFORMANCE REVIEW OF OPERATIONS

The Company is maintaining its leadership. There is phenomenal improvement in production and sales (highest ever achieved) :

Particulars	2000 - 01	2001 - 02	Growth (%)
Production (Lac Mtrs.)	48.40	65.19	34.69
Sale (Lac Mtrs.)	46.24	65.63	41.93
Sale (Rs. in Lacs)	3094.01	4094.54	32.34

The working of the division was adversely affected by the following factors:

- Recessionary trend in the industry.
- Advancement / high rains during the year (Average 36 inches vs. 64 inches), resulted in lower production and extra dewatering cost.
- Additional expenditure for developments of mines.

4. RISK AND CONCERNS

The Division does not foresee any risk.

B. SPINNING DIVISION

1. INDUSTRIAL OUTLOOK

The textile sector continues to pass through difficult times, with the exception of few units. The Government policies, initiatives did not have the desired results. The situation has been further aggravated by the downward trend in the economy.

Overseas demand received a set back due to series of adverse events. However, pick-up is expected in the current year.

Demand of cotton yarn is more as the polyester prices are firming-up.

Associated Stone Industries (Kotah) Ltd.

2. OPPORTUNITIES & THREATS

Due to globalisation, imports / exports will be liberalised from 2005 and quota restriction to Europe and USA will be abolished, the new markets will open up.

Pakistan is competing due to devaluation of its Rupee.

Dumping by China is an additional threat to industry.

3. PERFORMANCE & REVIEW OF OPERATIONS

The yarn production was lower due to higher demand of finer count in the international market. The selling prices were reduced despite cotton prices having risen.

The Division has registered turnover of Rs.5306.71 (Rs.6728.72), Gross Profit at Rs. 365.85 (Rs.1273.05) with loss at Rs.603.23 (profit Rs. 183.68).

4. RISK & CONCERNS

Yarn being an agriculture products, its quality and value is always dependend on the crop.

The availability of cotton yarn from Pakistan and China is at substantially lower price. Soaring fuel costs has a direct affect on our cost of production.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal control systems and procedures with regard to purchase of stores, component, plant and machinery, mining equipments and sale of goods, other assets, etc. essential to prepare financial statements. There is an inbuilt internal audit system for review by management.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

The Company has a workforce of about 3000 workers /employees. Training programmes are being conducted to keep abreast with the latest technology, cut cost, avoid accidents, etc. The programmes are being conducted for workers to engineers in regular classes. The Company has once again (sixth time) bagged the National Safety Award (Mines) instituted by President of India.

The Company takes pride in cordial relation and industrial harmony for over five decades.

CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

A. MANDATORY REQUIREMENTS**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

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

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

The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders value, over a period of time.

2. BOARD OF DIRECTORS**Composition and category**

The Company's Board consist of six Non-Executive and two Executive Directors. The details are as under:-

Name of Director	Category of Directorship	Number of other Directorships(*)	Number of outside Committees	
			Chairman	Member
Shri. Nemnath Jatia @ Chairman	Promoter/ Non Executive	-	-	-
Shri. Deepak Jatia Vice Chairman & Managing Director	Promoter/ Executive	4	-	-
Shri. Tony Jatia Managing Director	Promoter/ Executive	1	-	-
Shri. C.S. Lodha	Independent/ Non-Executive	2	-	-
Shri. S.M. Shroff	Independent/ Non-Executive	7	-	-
Shri. N.S. Karnavat	Independent/ Non-Executive	3	-	1
Shri. C.D. Thakker @	Independent/ Non-Executive	-	-	-
Shri. N. Ramkumar (Nomine of IFCI Ltd.)	Independent/ Non-Executive	2	-	2
Shri. Padam Kumar Poddar #	Independent/ Non-Executive	-	-	-
Shri. Ketan K. Shah #	Independent/ Non-Executive	-	-	-

* excludes Directorships in Indian Private Limited Companies.

@ resigned with effect from 30 October 2001.

appointed with effect from 06 May 2002.



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

During the financial year ended 31 March 2002, four Board Meetings were held on 28 June 2001, 30 July 2001, 30 October 2001 and 24 January 2002. The attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) is as under :

Name of the Director	No. of Board Meeting attended	Attendance at last AGM held on 30 August 2001
Shri. Nemnath Jatia	2	Present
Shri. Deepak Jatia	4	Present
Shri. Tony Jatia	4	Present
Shri. C.S. Lodha	-	-
Shri. S.M. Shroff	-	-
Shri. N.S. Karnavat	2	Present
Shri. C.D. Thakkar	1	-
Shri. N. Ramkumar	4	-

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 31 March 2002 three Audit Committee Meetings were held on 28 June 2001, 29 July 2001 and 30 October 2001.

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

Name of the Directors	Category	No. of Meetings Attended
Shri. N.S. Karnavat	Chairman	3
Shri. C.D. Thakkar	Member	2
Shri. Deepak Jatia *	Member	2
Shri. N. Ramkumar *	Member	1

* Shri. N. Ramkumar was co-opted in place of Shri. Deepak Jatia on 30 July 2001.

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 :

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of

external auditor, fixation of audit fee and also approval for payment for any other services.

- 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 judgement 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 interest of the Company at large.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- 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.
- Discussion with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- 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. SHAREHOLDERS' COMMITTEE

The Board constituted an Investor Grievance Redressal/ Share Transfer Committee of Directors consisting of Shri. N.S. Karnavat as Chairman, Shri. Deepak Jatia and Shri. Tony Jatia as Members of the Committee.

Shri. S.R. Soni, Vice President and Secretary, has been designated as the Compliance Officer.

Nine complaints were received and resolved.

Two transfers pending on 31 March 2002 have been acted upon during April 2002.

Associated Stone Industries (Kotah) Ltd.

5. GENERAL BODY MEETINGS

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

Financial Year	Date	Location of the Meeting	Time
1998-1999	29 September 1999	Registered Office of the Company at Neemrana, Dist. Alwar, Rajasthan	8.30 a.m.
1999-2000	30 May 2000	Registered Office of the Company at Neemrana, Dist. Alwar, Rajasthan	8.30 a.m.
2000-2001	30 August 2001	Registered Office of the Company at Neemrana, Dist. Alwar, Rajasthan	8.30 a.m.

An Extra-Ordinary General Meeting of the shareholders of the Company was held on 27 November 1999 at the Registered Office of the Company at Neemrana, Dist. Alwar, Rajasthan to approve issue of Equity Share on preferential allotment / private placement basis.

No special resolution was put through postal ballot at the last AGM nor is proposed for this year.

6. DISCLOSURES

- The Company did not have any related party transactions which may have potential conflict with the interest of the Company at large.
- The Company has complied with the requirement of the regulatory authorities on capital markets and no penalty / stricture was imposed during last three years.

7. MEANS OF COMMUNICATION

- The Company does not send its half-yearly reports to each shareholders. The half-yearly results are published in newspapers.
- The quarterly, half-yearly and full year results are published in the Financial Express and Prathakal.
- Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

8. GENERAL SHAREHOLDER INFORMATION

Registered Office : Jatia Avenue, 15-B, RIICO Indl. Area, Neemrana, Dist. Alwar – 301 705, Rajasthan.
Tel : 01494 – 46183, 46125 Fax: 01494 - 46087

Annual General Meeting : Date and Time :
26 September 2002 at 8.30 a.m.

Venue : At the Registered Office of the Company.

Financial Calendar

The Company follows April – March as its financial year. The results for every quarter are declared in the month following the quarter except for the quarter January – March,

for which the audited results are declared in June as permitted under the Listing Agreement.

Date of Book Closure : 12 September 2002 to 26 September 2002 (both days inclusive)

Dividend Payment Date : Not Applicable

Listing of Equity Shares on Stock Exchanges

Equity Shares of the Company are listed on Stock Exchanges at Jaipur and Mumbai. Annual Listing Fees as prescribed has been paid to each of these Stock Exchanges for the year 2002 – 03.

Stock Code : Jaipur Stock Exchange Ltd.,
Jaipur (Physical) - 12

BSE, Mumbai (Physical) - 2015

Stock Price Data

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

Month	High	Low
May 2001	11.05	11.05
June 2001	10.20	8.95
July 2001	10.00	9.10
September 2001	10.00	10.00

Registrar and Share Transfer Agents

Sharepro Services, Satam Estate, 3rd Floor,
Above Bank of Baroda, Cardinal Gracious Road,
Chakala, Andheri (E), Mumbai – 400 099.
Tel: 022-834 8218 / 832 9828 Fax : 022-837 5646

Share Transfer System

Share transfer requests received are registered within 30 days from the date of receipt, provided the documents are complete in all respect.

Distribution of shareholding as on 31 March 2002

No. of equity Shared held	No. of Share- holders	% of share- holders	No. of Share held	% of share- holding
Upto 500	2173	83.38	436832	6.59
501 to 1000	184	7.06	147461	2.23
1001 to 2000	105	4.03	155345	2.34
2001 to 3000	45	1.73	111532	1.68
3001 to 4000	16	0.61	56113	0.85
4001 to 5000	15	0.58	69271	1.04
5001 to 10000	27	1.04	192057	2.90
10001 and above	41	1.57	5459762	82.37
Grand Total	2606	100	6628373	100

**Shareholding Pattern as on 31 March 2002**

Category	No. of shares held	% of Share Capital
A. PROMOTER'S HOLDING		
1. Promoters		
-Indian Promoters	256029	3.86
-Foreign Promoters	-	-
2. Persons acting in concert	4393898	66.29
Sub Total	4649927	70.15
B. NON PROMOTER'S HOLDING		
3. Institutional Investors		
a. Mutual Funds and UTI	-	-
b. Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non-government Institutions)	374616	5.65
c. FIs	-	-
Sub Total	374616	5.65
4. Others		
a. Private Corporate Bodies	29350	0.44
b. Indian Public	1572710	23.73
c. NRIs/OCBs	1770	0.03
d. GDRs	-	-
Sub Total	1603830	24.2
Grand Total	6628373	100

Dematerialisation of shares

The Company is planning for dematerialisation.

Plant Locations

Mining Unit : Ramganjmandi – 326 519, Rajasthan.

Spinning Unit : Jatia Avenue, 15B, RIICO Ind. Area, Neemrana, Dist. Alwar – 301 705, Rajasthan.

Address for Correspondence

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

B. NON-MANDATORY REQUIREMENTS**1. CHAIRMAN OF THE BOARD**

The Vice Chairman is currently the Chairman of the Company.

2. REMUNERATION COMMITTEE

The Board constituted a Remuneration Committee of Directors on 06 May 2002 comprises three Independent, Non-Executive Directors consisting of Shri. N.S. Karnavat as Chairman, Shri. Padam Kumar Poddar and Shri. Ketan M. Shah as Members of the Committee.

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

The Company has appointed Managing Directors at its Annual General Meeting held on 30 August 2001 pursuant to Section 269 read with Schedule XIII and other applicable provisions of Companies Act, 1956 for a period of five years with effect from 01 September 2001.

3. SHAREHOLDER RIGHTS

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

4. POSTAL BALLOT

The provisions relating to Postal Ballot will be complied with in respect of matters where applicable.

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To

The Members,

Associated Stone Industries (Kotah) Ltd.
Neemrana (Rajasthan).

We have examined the compliance of conditions of Corporate Governance by Associated Stone Industries (Kotah) Ltd. for the year ended on 31 March 2002 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **B.L. AJMERA & CO.**
Chartered Accountants

Jaipur
29 June 2002.

SANJEEV MATHUR
Partner