

Associated Stone Industries (Kotah) Ltd.

57th
Annual Report
2002 - 2003



The Stone Masters

**BOARD OF DIRECTORS**

DEEPAK JATIA, *Vice Chairman &
Managing Director*

TONY JATIA, *Managing Director*

SANWARMUL SHROFF

NARENDRA S. KARNAWAT

C.S. LODHA

PADAMKUMAR PODDAR

KETAN M. SHAH

N. RAMKUMAR, *NOMINEE IFCI*

COMPANY SECRETARY

H.N. BANERJEE

MANAGEMENT EXECUTIVE**MINING UNIT**

S. C. AGARWAL, *President*

B. S. AGRAWAL, *Vice President (Sales)*

V. L. GUPTA, *Advisor (Finance)*

SPINNING UNIT

A. K. JAIN, *President*

S.R. SONI, *Chief Financial Officer*

G. P. SRIVASTAVA, *Vice President – Manufacturing (Technical)*

M.L. NAHAR, *Sr. Vice President (Commercial)*

Report

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, Joshwadi, 2nd Floor,
Mumbai - 400 002.

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 57th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2003:

1. FINANCIAL RESULTS

	(Rupees in lacs)	
	2003	2002
Sales	11580.23	9401.25
Profit before Interest and Depreciation	1017.94	978.75
Less: Interest	857.90	914.01
Depreciation	663.51	652.25
Profit / (Loss) for the year	(503.47)	(587.51)
Prior Year Expenses	(58.61)	-
Profit / (Loss) before Taxation	(562.08)	(587.51)
Provision for Taxation		
Current Tax	(0.77)	(0.65)
Deferred Tax	188.49	216.93
Profit / (Loss) after tax	(374.36)	(371.23)
Add: Balance brought forward from the previous Year	504.86	876.09
Balance carried forward to Balance Sheet	130.50	504.86

2. DIVIDEND

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

3. REVIEW OF OPERATIONS

The turnover for the year was Rs. 11580.23 Lacs compared to Rs. 9401.25 Lacs in the previous year. The exports are higher at Rs.4412.18 Lacs compared to Rs. 3409.58 in the previous year.

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 for the current year ended 31st March, 2003. Timing differences have resulted in net Deferred Tax Credit amounting to Rs.188.49 Lacs which is adjusted to the provisions for taxation for the year.

**4. PERFORMANCE OF DIVISIONS
MINING DIVISION**

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

Particulars	2001 - 02	2002 - 03	Growth (%)
Production (Lacs Sq. Mtrs.)	65.19	78.14	19.86
Sale (Lacs Sq. Mtrs.)	65.63	79.01	20.38
Sale (Rs. in Lacs)	4094.54	5229.23	27.71

The Gross Profit is at Rs. 673.56 Lacs (Rs. 612.90 Lacs) with Profit at Rs. 122.91 Lacs (Rs.15.72 Lacs).

SPINNING DIVISION (PRERNA SYNTEX - 100% EOU)

The business in the year under review was difficult due to prolonged slowdown in the global markets. The unprecedented rise in Cotton prices since last quarter impaired operating margins. Heavy stress over US\$ was another dampening effect on the working of the Division as entire export proceeds are in US\$. This was partly controlled by reduction in cost achieved through improved capacity utilisation and energy saving solutions.

Despite the year was indeed tough but due to persistent efforts in developing new markets, the turnover has been increased by 20% to Rs.6351.00 Lacs (Rs.5306.71 Lacs). The operating performance of the Division was considered to be satisfactory as Yarn production has been increased by 21% to 6486.15 MT (5346.99 MT).

Installation of Quantum Clearer, Vision Shield, etc. gives quality and value added speciality products establishing name in the market. HFO based power plant will certainly improve the bottom line of the Division due to substantial saving in fuel cost and higher yield which is under consideration.

Your Directors are hopeful of taking the business to healthy level by the second half of the current year, expecting reduction cotton prices on arrival of new cotton and power plant will also be operational by then.

5. FINANCIAL RESTRUCTURING

The Company has approached to IFCI Ltd. for One Time Settlement and the matter is under their consideration.

6. SAFETY, HEALTH & ENVIRONMENT

The Company continue its efforts for maintaining high standards of Safety, Health & Environment at the workplace. The efforts have received appreciation through yet another National Safety Award (Mines) to be given by His Excellency, President of India shortly. The Company is maintaining its leadership in Natural Stone Sector by giving the importance to the need of Environment in Mines.



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. S.M. Shroff and Shri. N.S. Karnavat, 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.

10. AUDITORS

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

11. STATUTORY INFORMATION

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

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

The Company has been accepting deposits within the meaning of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. The Fixed Deposits as on 31st March, 2003 was Rs. 137.89 Lacs. A Deposit of Rs. 30,000/- is lying unclaimed.

12. APPRECIATION

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

On behalf of the Board of Directors

Mumbai
20th June, 2003

DEEPAK JATIA **TONY JATIA**
Director *Director*

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

- By reducing motor pulleys, etc. in filters sections reduced power consumption. Optimising the operation of pneumafil fan in speed frame, comber and in other machinery.
- Installed cherry savers in lighting circuit in Ring Frame Machine Area.

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

- i) Install energy efficient impellers in Ring Frame Machines on Pneumafil Suction Motor.
- ii) Importing Furnace oil base captive power plant.

- c) Impact of the above measures:

- i) Additional saving of 500 to 800 units per day have been recorded.
- ii) Substantial saving in power cost is expected.

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

	2003	2002
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)	165.44	167.46
Unit Per Ltr. Of Diesel	3.69	3.63
Cost / Unit (Rupees)	4.15	4.13
2. Consumption Per Unit of Production		
Electricity (KWH) Yarn (100 kgs).	255.06	313.19

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**

Product appraisal from raw material through finished goods by monitoring parameters required by the customers.

2. Benefits Derived

Quality assurance at reasonable cost without affecting productivity and yield.

3. Plan of Action

The concentration will be for better productivity, yield and quality that will meet customer requirements at reasonable cost.

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**

The vision shield has been installed to remove foreign fibres and particles, i.e. contamination removing unit at the blow room level, which gives us better results and contamination controlled material. It also removes coloured contamination.

Further, to facilitate we have also installed quantum clearers on the autoconer / winding machines which removes contamination like hair, etc. which might have been passed through vision shield.

2. Benefits derived

Better customer satisfaction that will cover a more wider spectrum of end uses.

3. Imported Technology

None. The Company has developed its product on its own.

FOREIGN EXCHANGE EARNING AND OUTGO.

Earning Rs. 2881.77 Lacs Outgo Rs. 120.89 Lacs.

On behalf of the Board of Directors

Mumbai
20th June, 2003

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 under review witnessed an industrial slowdown. Consequently, textile industry growth also deteriorated. The year 2002 – 03 was a year of wars whether against terrorism or deadly viruses i.e. SARS, the turmoil of which affected world economy where your Company is also not an exception. Cost reduction solutions and improved capacity utilisation in Spinning Division were important contributors.

SEGMENT ANALYSIS AND REVIEW

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

Segment-wise financial results for the year ended 31st March, 2003 are as under:-

PARTICULARS	(Rupees in Lacs)					
	STONE		YARN		TOTAL	
	2003	2002	2003	2002	2003	2002
Sales	5229.23	4094.54	6351.00	5306.71	11580.23	9401.25
Profit before interest & depreciation	673.56	612.90	344.38	365.85	1017.94	978.75
Less:- Interest	238.73	290.89	619.17	623.12	857.90	914.01
Depreciation	311.92	306.29	351.59	345.96	663.51	652.25
Profit/(Loss) for the year	122.91	15.72	(626.38)	(603.23)	(503.47)	(587.51)
Provision for Taxation					(0.77)	(0.65)
Net Profit / (Loss)					(504.24)	(588.16)

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 AND REVIEW OF OPERATIONS

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

Particulars	2001 – 02	2002 – 03	Growth (%)
Production (Lac Mtrs.)	65.19	78.14	19.86
Sale (Lac Mtrs.)	65.63	79.01	20.38
Sale (Rs. in Lacs)	4094.54	5229.23	27.71

4. RISK AND CONCERNS

The Division does not foresee any risk.

B. SPINNING DIVISION

1. INDUSTRIAL OUTLOOK

In the international market, China and Pakistan are emerging as formidable competitors with their production and costing dramatically.

There is a cautious optimism in the industry. With its increased production resulting in better economies of scale, emphasis on value-added product mix, constant quality improvements and cost reduction measures, the company is positioning itself to face the challenges of globalisation.

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2. OPPORTUNITIES & THREATS

The opening up of world markets, in 2004 / 2005 consequent to the WTO agreement, presents good opportunities to remain globally competitive. Your company is upgrading its production facilities to achieve economies of scale and continuous improvement in quality. Further, there would be good opportunity, as capacities in the developed countries are shrinking sharply.

New capacities coming up in the cost affective countries is certainly as severe as the existing competitors like China, Indonesia and Pakistan. The favourable treatment by Western World in terms of quota accesses and duty concession to Pakistan compounded the problems of economics.

The polyester filament yarn industry has fared relatively better and is growing faster comparatively due to lower cost is yet another threat to the industry.

3. PERFORMANCE & REVIEW OF OPERATIONS

The sale of yarn increased to 6578.21 MT from 5558.88 MT in the previous year showing an increase of 18% due to persistent efforts in developing new market despite huddles of human decisions and natural calamities. The sale of Yarn in value terms also increased to Rs.5591.77 Lacs from Rs.4961.09 Lacs in the previous year showing an increase of 13% despite sales realisation were under acute pressure. The production of yarn increased to 6486.15 MT from 5346.99 MT in the previous year showing an increase of 21%, due to improvement in capacity utilisation.

4. RISK & CONCERNS

Policies of low cost countries like China, Indonesia, Pakistan are particularly a cause of concern and may severely impact the industry.

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 (seventh 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. Deepak Jatia Vice Chairman & Managing Director	Promoter/ Executive	4	-	-
Shri. Tony Jatia Managing Director	Promoter/ Executive	1	-	-



Name of Director	Category of Directorship	Number of other Directorships (*)	Number of outside Committees	
			Chairman	Member
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. N. Ramkumar (Nomine of IFCI Ltd.)	Independent/ Non-Executive	2	-	2
Shri. Padam Kumar Poddar	Independent/ Non-Executive	-	-	-
Shri. Ketan M. Shah	Independent/ Non-Executive	-	-	-

* 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, 2003, six Board Meetings were held on May 6, 2002, June 28, 2002, July 31, 2002, October 31, 2002, January 30, 2003 & February 21, 2003. 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 26th September, 2002	
Shri. Deepak Jatia	6		Present
Shri. Tony Jatia	6		Present
Shri. Ketan M. Shah	4		Present
Shri. C.S. Lodha	-		-
Shri. S.M. Shroff	2		-
Shri. N.S. Karnavat	3		-
Shri. Padam Kumar Poddar	6		-
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 31st March, 2003 three Audit Committee Meetings were held on June 28, 2002, October 31, 2002 and February 21, 2003.

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	2
Shri. Padam Kumar Poddar	Member	3
Shri. Ketan M. Shah	Member	3
Shri. N. Ramkumar	Member	1

Broad terms of reference

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

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

- 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.

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- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- f. Discussion with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- g. Reviewing the Company's financial and risk management policies.
- h. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

4. 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. V.L. Gupta, Advisor (Finance), has been designated as the Compliance Officer.

Thirteen complaints were received and resolved.

One transfer pending on 31st March, 2003 has been acted upon during April 2003.

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
1999-2000	30 th May 2000	Registered Office of the Company at Neemrana, Dist. Alwar, Rajasthan	8.30 a.m.
2000-2001	30 th August 2001	Registered Office of the Company at Neemrana, Dist. Alwar, Rajasthan	8.30 a.m.
2001-2002	26 th September, 2002	Registered Office of the Company at Neemrana, Dist. Alwar, Rajasthan	8.30 a.m.

6. DISCLOSURES

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

7. MEANS OF COMMUNICATION

- i) The Company does not send its half-yearly reports to each shareholders. The half-yearly results are published in newspapers.
- ii) The quarterly, half-yearly and full year results are published in the Financial Express and Prathakal.
- iii) 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 – 246183, 246125 Fax: 01494 - 246087

Annual General Meeting : Date and Time : 27th September 2003 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 : 13th September 2003 to 27th September 2003 (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 2003 – 04.

Stock Code: Jaipur Stock Exchange Ltd., Jaipur (Physical) - 12
BSE, Mumbai (Physical) – 502015.

Stock Price Data

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

Month	High (Rs.)	Low (Rs.)
November, 2002	8.25	8.05
March, 2003	10.00	8.05



Registrar and Share Transfer Agents

Sharepro Services, Satam Estate, 3rd Floor, Above Bank of Baroda, Cadrinai Gracious Road, Chakala, Andheri (E), Mumbai – 400 099.

Tel: 022-2834 8218 / 2832 9828

Fax : 022-2837 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 31st March, 2003

No. of equity Shared held	No. of Share-holders	% of share-holders	No. of Share held	% of share-holding
Upto 500	2166	83.40	435632	6.57
501 to 1000	184	7.09	147593	2.23
1001 to 2000	104	4.00	153393	2.31
2001 to 3000	46	1.77	114052	1.72
3001 to 4000	16	0.62	56113	0.85
4001 to 5000	15	0.58	69271	1.05
5001 to 10000	26	1.00	185857	2.80
10001 and above	40	1.54	5466462	82.47
Grand Total	2597	100	6628373	100

Shareholding Pattern as on 31st March, 2003

Category	No. of shares held	% of Share Capital
A. PROMOTERS' HOLDING		
1. Promoters		
- Indian Promoters	256529	3.87
- Foreign Promoters	-	-
2. Persons acting in concert	4393898	66.29
Sub Total	4650427	70.16
B. NONPROMOTERS' 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	1572210	23.72
c. NRIs/OCBs	1770	0.03
d. GDRs	-	-
Sub Total	1603330	24.19
Grand Total	6628373	100.00

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 06th 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 30th 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 01st 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.