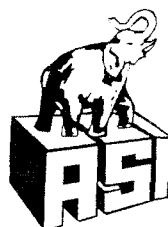


Associated Stone Industries (Kotah) Ltd.

60th
Annual Report
2005 - 2006



The Stone Masters

Associated Stone Industries (Kotah) Ltd.

BOARD OF DIRECTORS

DEEPAK JATIA, *Vice Chairman & Managing Director*
TONY JATIA, *Managing Director*
SANWARMUL SHROFF
NARENDRA S. KARNAWAT
PADAMKUMAR PODDAR
KETAN M. SHAH
SURENDRA MOHATTA
ANITA JATIA (Alternate to SANWARMUL SHROFF)

COMPANY SECRETARY

H.N. BANERJEE

MANAGEMENT EXECUTIVE

MINING UNIT

S. C. AGARWAL, *President*
B. S. AGRAWAL, *Vice President (Sales)*
V. L. GUPTA, *Advisor (Finance)*
M.L. NAHAR, *Vice President (Commercial)*

SPINNING UNIT

A. K. JAIN, *President*
S.R. SONI, *Chief Financial Officer*

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, Joshiwadi, 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.



DIRECTORS' REPORT

To
The Members,
Associated Stone Industries (Kotah) Limited

The Directors have pleasure in presenting the 60th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2006:

1. FINANCIAL RESULTS

	(Rupees in lacs)	
	2006	2005
Sales	14290.29	16689.55
Profit before Interest and Depreciation	1649.65	1615.65
Less: Interest	761.69	733.92
Depreciation	619.35	621.08
Profit / (Loss) for the year	268.61	260.65
Prior Year Income / (Expenses)	(138.29)	(0.32)
Profit / (Loss) before Taxation	130.32	260.33
Provision for Taxation		
Current Tax	(16.00)	(21.50)
Fringe Benefit Tax	(10.16)	-
Deferred Tax	(120.78)	(115.72)
Profit / (Loss) after tax	(16.62)	123.11
Add: Balance brought forward from the previous Year	5.84	(117.27)
Balance carried forward to Balance Sheet	10.78	5.84

2. DIVIDEND

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

3. REVIEW OF OPERATIONS

The turnover for the year was Rs.14290.29 Lacs compared to Rs. 16689.55 Lacs 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, 2006. Timing differences have resulted in net

Deferred Tax credit amounting to Rs. 120.78 Lacs which is adjusted to the provisions for taxation for the year.

4. PERFORMANCE OF DIVISIONS MINING DIVISION

Scientific and systematic planning, execution of working at the quarry floor and processing unit has enabled us in achieving yet another record production and sale.

During the year 2005 – 06, Mining Division has registered a turnover of Rs. 6516.21 Lacs (Rs. 8804.51 Lacs), Gross Profit of Rs. 940.78 Lacs (Rs. 989.14 Lacs).

The profit during the year 2005 – 06 has been Rs. 641.58 Lacs as compared to Rs. 606.81 Lacs during last year 2004 - 05.

SPINNING DIVISION (PRERNA SYNTEX – 100% EOU)

Overall activity of the Spinning Division is at previous year's level. However impact of increase in HSD prices dampen the working results. To counter act with this increase we have reconnected the grid power and using at optimum level without an effect on productivity.

The Division has registered a turnover of Rs.7774.08 lacs (Rs.7885.05 lacs), Gross Profit at Rs.708.87 lacs (Rs.626.51 lacs) with Loss of Rs.372.97 lacs (Rs.346.16 lacs).

The operating margins have been improved from second half of financial year 2005-06 and your Directors expect this trend will continue.

The cotton crop for ensuing season is also expected to be good and Textile Industry in general is expected to be doing good.

5. FINANCIAL RESTRUCTURING

During the year, the IFCI Ltd. has approved the proposal for demerger of the Textile Unit from the Company and negotiated the settlement of its dues, including reschedulement of the balance term loan. In compliance with the terms and conditions of the settlement, the company has paid the stipulated principal amount along with interest to IFCI Ltd. The effect of the lower provision of interest during the previous year has

Associated Stone Industries (Kotah) Ltd.

been given into account of the current year as per terms of settlement.

6. ENVIRONMENT SAFETY & HEALTH

The Company has incorporated environment protection in the mining area as its core social responsibility. The Company is adhering to its environmental policy and practicing eco-friendly mining technology. For health & safety of its employees, the Company continues to monitor and measure efforts made and improve the status where required.

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 along with 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 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.

The approval of the Members is sought for the appointment of Shri. Deepak Jatia and Shri. Tony Jatia as Vice Chairman & Managing Director and Managing Director respectively of the Company on the terms & conditions as set out in the Notice & Explanatory Statement thereto.

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, 2006 was Rs. 196.89 Lacs.

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
26th July, 2006

Deepak Jatia
Director

Tony Jatia
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.

- i) Energy Conservation is an on going process and all measures are being taken to maintain and improve the same and plug the areas of leakages and achieve substantial savings.
- ii) Controlled energy consumption at almost every energy consumption centre.
- iii) Without increase in power consumption increased performance of machineries

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

- i) Looking the increasing trend in fuel price, we have reconnected with Grid Power which is comparatively cheaper. While reconnecting Grid Power utmost care has been taken for productivity.
- ii) Installation of gas based power plant is under study as gas pipelines are passing through our premises in due course of time.

c) Impact of the above measures

- i) Power generation is improving and average consumption is reducing.
- ii) Controlling in energy consumption without affecting productivity.

d) Total energy consumption per unit of production.

	2006	2005
1. Power and Fuel Consumption		
Electricity		
a) Purchased		
Unit (KWH in lacs)	18.60	Nil
Total Amount (Rs. in lacs)	85.12	Nil
Rate / Unit (Rupees)	4.58	Nil
b) Own Generation		
i) (Through Diesel Generator)		
Unit (KWH in lacs)	113.53	163.69
Unit Per Litre of Diesel	3.71	3.84
Cost / Unit (Rupees)	6.06	4.12
ii) Through F.O. Generator		
Unit (KWH in lacs)	32.18	Nil

Unit per Ltr. of F.O.	3.22	Nil
Cost / Unit (Rupees)	5.21	Nil
c) Consumption per unit of production		
Electricity (KWH)		
/ Yarn (100 Kgs)	252.30	247.30

TECHNOLOGY ABSORPTION

RESEARCH & DEVELOPMENT

MINING UNIT

Company has taken up research project for working part of present overburden waste zone for commercial exploitation of Kotah Stone. Initially, the results are quite encouraging. If it is proved to be successful, it will reduce the amount of waste handling, increasing the mineral recovery and thereby the financial status.

TEXTILE UNIT

1) Specific Areas:

Auto Cone Machines have been upgraded by installing Locpfc Yarn Master TK 930S for reducing contamination in fabric.

New type of Rings have been installed, to upgrade the quality of yarn and also give better output and some power saving.

System developed in house to monitor quality of yarn in large volume.

Technologically upgraded service machines have been procured for reduction of machine down time.

2) Benefits Derived

Improvement in yarn quality without affecting the productivity.

3) Plan of Action

Planning for conservation of packing material and other inputs so as to utilize resources optimum.

4) Expenditure on R&D

No capital expenditure is incurred on R&D during the year under review apart from regular upgrading & maintenance.

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

1. Efforts Made

Effective utilization of machinery with international standard of production.

ISO 9001-2000 Quality Management System has been certified by A. Q. S. R.

Training programs were attended by our technicians at technical institutions and round the year training schedule for Shopfloor workers was implemented.

Associated Stone Industries (Kotah) Ltd.**2. Benefits Derived**

Quality production, customer satisfaction, better realisation and development of new markets.

3. Imported Technology

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

However, modifications were carried out in the existing winding machines in line with the technology pursued in the latest models in consultation with the OEM.

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
26th July, 2006

Deepak Jatia **Tony Jatia**
Director 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**MINING DIVISION**

Through the year under review, the company maintained its performance matching to the market sentiments and requirements. On the front of the environment, mines safety and labour laws, the various Government Authorities are keeping strict vigilance for the compliance of various rules and regulations. The company continued to improve the working environment at the work-place in mines to meet the lawful requirements.

SPINNING DIVISION

The Industrial Outlook in general is buoyant and working results of the Company are improving, despite continuous pressure on input cost particularly increase in HSD prices throughout the year and USD was also under pressure during the previous year thereby sales realization were also in pressure, however adverse effect were under control in view of prudent business policies, continuous increase in operation and marketing research. The Indian Textile Industry is bound to do well in the present economic scenario.

SEGMENT ANALYSIS AND REVIEW

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

Segment-wise financial results for the year ended 31st March, 2006 are as under:-

(Rupees in Lacs)

PARTICULARS	STONE		YARN		TOTAL	
	2006	2005	2006	2005	2006	2005
Sales	6516.21	8804.50	7774.08	7885.05	14290.29	16689.55
Profit before interest & depreciation	940.78	989.14	708.87	626.51	1649.65	1615.65
Less:- Interest	50.86	129.62	710.83	604.30	761.69	733.92
Depreciation	248.34	252.71	371.01	368.37	619.35	621.08
Profit/(Loss) for the year	641.58	606.81	(372.97)	(346.16)	268.61	260.65
Less : Prior Year Exp.	66.55	---	71.74	0.32	138.29	0.32
Profit/(Loss) before Tax	575.03	606.81	(444.71)	(346.48)	130.32	260.33
Provision for Taxation					(16.00)	(21.50)
Net Profit / (Loss)					114.32	238.83

A. MINING DIVISION

Kotah Stone is the best eco-friendly building material and being used extensively in big Industrial and Commercial projects besides housing. Its inherent natural properties fixed its superiority over other flooring or material.

1. INDUSTRY OUTLOOK

The company maintains its leadership by sizeable share in the market for Kotah Stone. Use of Kotah Stone is increasing within the Country and is in good demand from the International market. Company achieved yet another record of production during 2005-06, which stands testimony of the company's performance.

2 OPPORTUNITIES AND THREATS

There appears to be no immediate threat to the Kotah Stone Industry except the sharply increasing cost of petroleum products and thereby the cost of production of Kotah Stone. However, this will be taken care of by improving work performance and increase the mineral recovery.

3. PERFORMANCE AND REVIEW OF OPERATIONS

Since 1993, the quarrying of Kotah Stone have been totally mechanized and depends entirely on captive generation based on use of HSD. The continuously increasing price in HSD has been causing serious concern. However, efforts have been made to neutralize its effect through better operating efficiency, improving capacity utilization and better mineral recovery. Efforts have been made to workout part of present overburden zone for recovery of commercial production of Kotah Stone. This when proved will further improve financial status.



During the year 2005 - 06, Mining Division has registered a turnover of Rs.6516.21 Lacs (Rs. 8804.51 Lacs), Gross Profit of Rs.940.78 Lacs (Rs. 989.14 Lacs).

The profit during the year 2005-06 has been Rs. 641.58 Lacs as compared to Rs. 606.81 Lacs during last year 2004 - 05.

4. RISK AND CONCERNS

The Division does not foresee any risk.

B. SPINNING DIVISION

1. INDUSTRIAL OUTLOOK

Industrial outlook in general is encouraging, and exports are increasing substantially due to positive international scenario.

2. OPPORTUNITIES & THREATS

Spinning Division is poised to do well in future considering wide acceptability of its products in the International Market. The Cotton Textile Industry will have always a threat from Synthetic Textile. However cotton textile will continue to enjoy its status.

3. PERFORMANCE & REVIEW OF OPERATIONS

Spinning Division has registered a turnover of Rs.7774.08 lacs (Rs.7885.05 lacs) Gross Profit at Rs.708.87 lacs (Rs.626.51 lacs) with Loss of Rs.372.97 lacs (Rs.346.16 lacs). The operating margin has been improved from the second half of Financial Year 2005-06 and we expect this trend will continue.

4. RISK & CONCERNS

Pressure on dollar is always a matter of concern as our entire export proceeds are in US\$. US\$ has further fallen by about 2% on an average in the year under review. Another concern as yarn being an agriculture products, its quality and value is always dependent on the crop.

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 internal audit, including inbuilt internal audit system for review by the management.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

With the updating of the Working Technology, training programme becomes essential. A regular classroom lectures on Safety, Environment and on Job Training are being conducted by the Company to increase Environment Awareness and to upgrade the skill of its large workforce of over 3,000. This has helped in cost cut, improvement of productivity and optimum utilization of company's resources.

The Company maintained harmonious and cordial Industrial relations throughout the year.

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.

Associated Stone Industries (Kotah) Ltd.**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	3	-	-
Shri. Tony Jatia Managing Director	Promoter/ Executive	-	-	-
Shri. S.M. Shroff	Independent/ Non-Executive	5	-	-
Shri. N.S. Karnavat	Independent/ Non-Executive	2	-	1
Shri. Padam Kumar Poddar	Independent/ Non-Executive	-	-	-
Shri. Ketan M. Shah	Independent/ Non-Executive	-	-	-
Shri. Surendra Mohatta	Independent/ Non-Executive	-	-	-
Smt. Anita Jatia	Alternate Director to Shri S. M. Shroff	-	-	-

- (#) excludes Directorships in Indian Private Limited Companies.

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

During the financial year ended 31st March, 2006, six Board Meetings were held on 18th May 2005, 30th June 2005, 30th July 2005, 31st October 2005, 21st January 2006 & 22nd February 2006. 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 30th September, 2005	
Shri. Deepak Jatia	6		Present
Shri. Tony Jatia	6		Present
Shri. Ketan M. Shah	5		Present
Shri. Padam Kumar Poddar	6		-
Shri. N.S. Karnavat	6		-
Shri. S.M. Shroff	-		-
Smt. Anita Jatia (Alternate to Shri S.M. Shroff)	1		-
Shri. Surendra Mohatta	3		Present

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 2006, six audit committee meetings were held on 18th May 2005, 30th June 2005, 30th July 2005, 31st October 2005, 21st January 2006 & 22nd February 2006.

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	6
Shri. Padam Kumar Poddar	Member	6
Shri. Ketan M. Shah	Member	5

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.



- 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.

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
2002-2003	27 th September, 2003	Registered Office of the Company at Neemrana, Dist. Alwar, Rajasthan	8.30 a.m.
2003-2004	27 th September, 2004	Registered Office of the Company at Neemrana, Dist. Alwar, Rajasthan	8.30 a.m.
2004-2005	30 th September, 2005	Registered Office of the Company at Neemrana, Dist. Alwar, Rajasthan	10.30 a.m.

6. DISCLOSURES

- i) The Company had related party transactions which did not have potential conflict with the interest of the Company at large.

- ii) The Company has complied with the requirement of the regulatory authorities on capital markets and no penalty / 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 : 29th September, 2006 at 9.00 a.m.

Venue : At the Registered Office of the Company.

Financial Calendar

The Company follows April – March as its financial year. The 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:

14th September 2006 to 29th September 2006 (both days inclusive)

Dividend Payment Date : Not Applicable

Listing of Equity Shares on Stock Exchanges

Equity Shares of the Company are listed on Bombay Stock Exchange. Annual Listing Fees as prescribed has been paid to the Stock Exchanges for the year 2006-07.

Stock Code: BSE, Mumbai (Physical) -502015
Demat ISIN-INE443A01014.

Associated Stone Industries (Kotah) Ltd.**Stock Price Data**

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

Month	High (Rs.)	Low (Rs.)
April, 2005	28.95	20.50
May, 2005	29.90	21.65
June, 2005	34.80	23.40
July, 2005	47.40	32.00
August, 2005	60.00	48.00
September, 2005	63.20	47.35
October, 2005	51.90	34.65
November, 2005	36.15	24.70
December, 2005	26.75	21.65
January, 2006	34.75	22.70
February, 2006	38.10	30.15
March, 2006	33.65	27.00

Registrar and Share Transfer Agents

Sharepro Services, Satam Estate, 3rd Floor,
Above Bank of Baroda, Cadrinal 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, 2006

No. of equity Shares held	No. of Share-holders	% of share-holders	No. of Share held	% of share-holding
Upto 500	2113	81.457	410692	6.196
501 to 1000	211	8.134	169718	2.560
1001 to 2000	109	4.202	163483	2.466
2001 to 3000	48	1.850	119967	1.810
3001 to 4000	22	0.848	78911	1.191
4001 to 5000	20	0.771	91449	1.380
5001 to 10000	32	1.234	229794	3.467
10001 and above	39	1.503	5364359	80.930
Grand Total	2594	100.00	6628373	100.00

Shareholding Pattern as on 31st March, 2006

Category	No. of shares held	% of Share Holding
A. PROMOTERS' HOLDING		
1. Promoters		
- Indian Promoters	256529	3.87
- Foreign Promoters/Collaborater	-	-
2. Persons acting in concert	4394898	66.30
Sub Total	4651427	70.17
B. NON PROMOTERS' HOLDING		
3. Institutional Investors		
a. Mutual Funds and UTI	-	-
b. Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non-government Institutions)	280490	4.23
c. FIIs / GDR	-	-
Sub Total	280490	4.23
4. Others		
a. Private Corporate Bodies	62333	0.94
b. Indian Public	1632463	24.63
c. NRIs/OCBs	1660	0.03
d. Any Other	-	-
Sub Total	1696456	25.59
Grand Total	6628373	100.00

Dematerialisation of shares

Demat ISIN Number in NSDL for fully paid up Equity Shares : INE443A01014.

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.