



Associated Stone Industries (Kotah) Ltd.

Building from a Solid Foundation

71st Annual Report
2016 - 2017

Associated Stone Industries (Kotah) Ltd.

BOARD OF DIRECTORS

MR. DEEPAK JATIA	Chairman & Managing Director
MRS. ANITA JATIA	Executive Director
MR. TUSHYA JATIA	Executive Director
MR. GAURANG GANDHI	Independent Director
MR. ANSHUL M. SONAWALA	Independent Director
MR. SANJAY SEKSARIA	Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

MR. MANOJ JAIN

MANAGEMENT EXECUTIVES

MR. S.R. SONI	Chief Executive Officer
MR. PAVAN SONI	Chief Financial Officer
MR. A.K.YADAV	Vice President (Operations)
MR. GEORGE MATHEW	General Manager (Import & Export)

Contents	Page. No.
Management/Governance	
1. Board's Report	1-18
2. Management Discussion & Analysis	19-20
3. Corporate Governance Report	21-29
Standalone Financial Statements	
1. Auditors Report	30-33
2. Financial Statement	34-36
3. Significant Accounting Policies & Notes on Financial Statements	37-52
Consolidated Financial Statements	
1. Auditors' Report	53-55
2. Financial Statement	56-58
3. Significant Accounting Policies & Notes on Financial Statements	59-71
Annual General Meeting	
Date: 22 nd September, 2017 at 10.00 a.m	
Venue: 419-B, Kalbadevi Road, Joshiwadi 2 nd Floor, Mumbai - 400002	

Auditors

M/s. B.L. Ajmera & Co.
Chartered Accountants
M. I. Road, Jaipur - 302001

Bankers

ICICI Bank Ltd.
HDFC Bank Ltd.
IDBI Bank Ltd.

Works

ASI House,
Kudayla Industrial Area,
Ramganjmandi - 326519
Dist: Kota, Rajasthan

Registered Office

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

BOARD'S REPORT

To

The Members,

Associated Stone Industries (Kotah) Limited

The Directors have pleasure in presenting the 71st Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March, 2017:

FINANCIAL RESULTS

(Rs. in Lacs)

	2016-17	2015-16
Total Revenue	24616.41	17966.92
Profit before Finance Cost & Depreciation	3793.87	3903.70
Less : Finance Cost	930.05	1186.16
Depreciation	542.68	532.37
Profit before Taxation & Exceptional Item	2321.14	2185.17
Add: Exceptional Item	-	127.90
Profit Before Tax	2321.14	2313.07
Provision for Taxation		
Current Tax	(786.00)	(885.00)
Deferred Tax	69.34	6.55
Earlier Years Adjustments	45.79	(0.72)
Profit After Tax	1650.27	1433.90
Add: Balance in Statement of Profit & Loss	8290.16	7294.87
Profit available for Appropriation	9940.43	8728.77
Appropriation		
Transfer to General Reserve	200.00	200.00
Dividend	198.85	198.85
Tax on Dividend	40.48	39.76
Closing Balance	9501.10	8290.16
	9940.43	8728.77

DIVIDEND

The Board, in its meeting held on 30th May, 2017 has recommend a final dividend of Re.0.30 (equivalent to 30%) per equity share for the financial year 2016-17. The proposal is subject to the approval of shareholders at ensuing Annual General Meeting to be held on Friday, 22nd September, 2017. The total outflow as dividend declared (excluding dividend tax) is Rs. 248.56 Lacs against Rs. 198.85 Lacs of previous year.

RESERVES

Your Directors propose to transfer Rs. 200.00 Lacs to the General Reserve Account. An amount of Rs. 9501.10 Lacs is proposed to be retained in the Statement of Profit & Loss.

PERFORMANCE

Standalone

During the year under review, the Company has registered total revenue from operations of Rs. 23506.67 Lacs as against that of previous year Rs. 17201.30 Lacs and Gross Profit of Rs. 3793.87 Lacs (previous year Rs. 3903.70 Lacs). This included revenue from the trading activity which during the year under review was Rs. 11344.74 Lacs as against Rs. 4911.78 Lacs in the previous year.

The profit before taxation during the year under review was Rs. 2321.14 Lacs as compared to Rs. 2313.07 Lacs during the previous year.

Consolidated

During the year under review, the Company has registered total revenue from operations of Rs 30762.89 Lacs as against that of previous year Rs. 19702.12 Lacs an increase of 36% and the profit before taxation during the year under review was Rs. 2888.38 Lacs as compared to Rs. 1655.05 Lacs during the previous year an increase of 43%.

There are no material changes/commitments affecting financial position of the Company between the end of year and to the date of Report.

WIND POWER PROJECT

The Company continues to operate at its installed 3.625 MW capacity Wind Power Plant comprising of 1.125 MW capacity at Gadag District of Karnataka and 2.50 MW capacity at Satara District of Maharashtra supplying to Electricity Boards.

Bonus Shares

During the period under review, the Company has allotted 1,65,70,933 fully paid up equity shares of face value Re.1/- each to the shareholders of the Company in proportion of 1 fully paid up share for every 4 fully paid up shares and consequently, the number of shares has increased from 6,62,83,730 to 8,28,54,663.

The Company has neither issued any share with differential voting rights nor granted any stock options/sweat equity shares.

CHANGE IN THE NATURE OF BUSINESS

The Company is mainly engaged in Mining and Processing of Kotah and Other Natural Stones. Apart from Mining, Company is also engaged in generation of Wind Power and other trading activities.

During the year under review, there is no change in the nature of business of the Company.

PERFORMANCE AND FINANCIAL STATEMENTS OF SUBSIDIARIES

As required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 129 of the Companies Act, 2013, the Consolidated Financial Statements prepared by the Company in accordance with the

applicable provisions of the Companies Act, 2013 and applicable accounting standards, form part of the Annual Report.

The Company has foreign subsidiaries viz: ASI Global Limited, Mauritius and Al Rawasi Rock & Aggregate LLC, Fujairah, UAE.

Your directors draw attention of the members to the Note No. 36 to the Consolidated Financial Statements which set out salient features of Financial Statement of Subsidiary Companies.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 134(5) of the Companies Act, 2013, your Directors subscribe to the "Directors' Responsibility Statement" and the Board of Directors of the Company confirm that:

- in the preparation of the annual accounts for the year ended 31st March, 2017, 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 as at 31st March, 2017 and of the profit or loss of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared annual accounts on a 'going concern' basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORTS

The Company has complied with mandatory provisions of Corporate Governance as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance and Management Discussion and Analysis Report, which form an integral part of this Report together with the Certificate from Auditors of the Company regarding compliances with the requirements of Corporate Governance as stipulated in aforementioned Regulations.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per provision of Section 135 read with Schedule VII of the Companies Act, 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and any other statutory amendment or modification thereof and the Company's CSR Policy in respect of Corporate Social Responsibility activity, a separate Report on CSR activities is attached as **Annexure "A"** to this Report. The CSR Policy has been posted on the website of the Company at www.asistone.com.

The Company has made a budget of Rs. 51.00 Lacs (including short fall of Rs. 6.49 Lacs of previous year). During the year under review, CSR expenditure was short by Rs. 6.81 Lacs mainly on account of pending of certain proposals.

RISK MANAGEMENT

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk management plans in its strategy, business and operational plans.

Your Company, through its risk management process, strive to contain impact and likelihood of the risks within the risk appetite as agreed from time to time with the Board of Directors.

Your Company is having a Risk Management Committee to oversee the risk management efforts of the Company. The details of the Committee along with its charter are set out in the Corporate Governance Report forming part of this Report.

There are no risks which in the opinion of the Board threaten the existence of your Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Report.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguard of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and timely preparation of reliable financial disclosures.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Number of Meetings of Board

The Board met nine times during the financial year. The meeting details are provided under Corporate Governance Report that forms part of this Annual Report. The maximum gap between two board meetings did not exceed 120 days as prescribed under the Companies Act, 2013.

Policy of Directors' Appointment and Remuneration

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the board. As of 31st March, 2017, the board had 6 members three of whom were executive or whole time and managing director and three were independent director.

The policy of Company on director's appointment and remuneration, including, the criteria for determining qualification, positive attributes and other matters as required under sub-section 3 of section 178 of the Companies Act, 2013 is available on Company's website at www.asistone.com.

There has been no change in the policy. We affirm that remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

Directors

During the year under review, Mr. Pramod G Lath has resigned from the Board as an Independent Director w.e.f. 4th July, 2016 and Mr. Gaurang Gandhi was appointed as an Independent Director.

In accordance with the provisions of Section 152(6)(c) of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Anita Jatia (DIN:01068774) is liable to retire by rotation at the forth coming Annual General Meeting and being eligible, has offered herself for re-appointment. The Board recommends her re-appointment. The brief profile of retiring director is given in the notice calling the Annual General Meeting.

The Board of Directors on recommendation of the Nomination and Remuneration Committee, has re-designated Mr. Tushya Jatia as Whole Time Director of the Company for a period of five years w.e.f. 12th November, 2016 subject to the approval of the members in the ensuing Annual General Meeting.

Statement on declaration given by Independent Directors

The Independent directors have submitted the declaration of independence, as required pursuant to Section 149 (7) of the Companies Act, 2013 confirming that they meet the criteria of independence provided in section 149 (6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration, various aspects of the Board's functioning, composition of the Boards and its Committees, culture, execution and performance of specific duties and obligation and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and Non-Independent Directors was carried by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

Appointment/ Cessation of KMP

During the year under review, the following persons were appointed/ceased as Key Managerial Personnel (KMP) of the Company:

Sr. No	Name of the Person	Designation
1.	Mr. Manoj Jain	Appointed as Company Secretary and Compliance Officer of the Company
2.	Mr. Tushya Jatia	Re-designated from Non-Executive Director to Whole Time Director

AUDIT REPORTS AND AUDITORS

Audit Reports

The Auditors' Reports for the financial year 2016-17 does not contain any qualification, reservation and adverse remark. The Auditors' Reports is enclosed with the financial statements in this Annual Report. During the year under review, the Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013.

The Secretarial Auditors' Report for the financial year 2016-17 not contain any qualification, reservation and adverse remark. The Secretarial Auditors' Report is enclosed as **Annexure "B"** of the Board's Report of this Annual Report.

As required by the Listing Regulations, the auditors' certificate on corporate governance is enclosed in this Annual Report. The auditors' certificates for the financial year 2016-17 not contain any qualification, reservation and adverse remark.

AUDITORS

Statutory Auditors

Under section 139 of the Companies Act, 2013 and rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum terms permitted under the said section. The audit committee of the Company has proposed and on 30th May, 2017, the Board of Directors of the Company has recommended the appointment of M/s. S.C.Bandi & Co., Chartered Accountants (firm registration no.130850W) as the statutory auditors of the Company.

M/s. S.C.Bandi & Co. will hold office for a period of five consecutive years from the conclusion of the 71st Annual General Meeting of the Company schedule to be held on Friday, 22nd September, 2017, till the conclusion of the 76th Annual General Meeting to be held in the year of 2022, subject to the approval of the shareholders of the Company.

Secretarial Auditor

As required under section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. GMJ & Associates, Company Secretaries, as Secretarial Auditor of the Company in relation to the financial year 2017-18. The Company has received their consent for such appointment.

Cost Auditors

As per the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records. Accordingly, M/s. N.D. Birla & Co., a firm of Cost Accountants in practice was appointed to undertake the Cost audit for the financial year ended 31st March, 2017.

Further, the Board of Directors, on the recommendation of the Audit Committee, have appointed M/s. N.D. Birla & Co., a firm of Cost Accountants to undertake the audit of cost records of the Company for the financial year ended 31st March, 2018.

RELATED PARTY TRANSACTIONS

All contracts/ arrangements/ transactions entered by the Company during the year under review with related parties were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. The Company presents a detailed landscape of all related party transactions before the Audit Committee on quarterly basis, specifying the nature, value and terms and conditions of the transaction. Transactions with related parties are conducted in a transparent manner with the interest of the Company and Stakeholders as utmost priority. Further, during the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transaction.

Since all related party transactions entered into by the Company were in ordinary course of business and were on arm's length basis, Form AOC-2 is not applicable to the Company.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at www.asistone.com.

Your Directors draw attention of the members to Note No. 39 to the financial statements which sets out related party disclosures.

DISCLOSURES

Audit Committee

The Audit Committee comprises of Independent Directors namely Mr. Gaurang Gandhi, the Chairman, Mr. Anshul M. Sonawala and Mr. Sanjay Seksaria as other members. All the recommendations made by the Audit Committee were accepted by the Board. The terms of reference of audit committee and other details are explained in brief in Corporate Governance Report.

Nomination and Remuneration Committee and its policy

The Nomination and Remuneration Committee comprises of Independent Directors namely Mr. Sanjay Seksaria, the Chairman, Mr. Gaurang Gandhi and Mr. Anshul M. Sonawala as members of the Committee. The Nomination and Remuneration policy has been posted on the website of the Company at www.asistone.com.

Whistle Blower Policy/Vigil Mechanism

In compliance with the requirements of Section 177 of the Companies Act, 2013, the Company has a Whistle Blower Policy to report genuine concern, grievances, fraud and mismanagements, if any. The policy has been posted on the website of the Company at www.asistone.com.

Particulars of Loans, Guarantees or Investments by the Company

During the year, the Company has provided Loans and Corporate Guarantee to its Subsidiaries for business purpose. Please refer Note No. 12(b) for the Investment in subsidiaries, Note No. 13 for Loans and Advances and Note No. 28(i) (b) (ii) for Corporate Guarantee of the financial statements.

Details of loans given to other parties, during the year under review, are attached as **Annexure "C"** to this Report.

Extract of Annual Return

The extract of the Annual Return in Form No. MGT-9 as required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached as **Annexure "D"** to this Report.

Investors Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid and unclaimed dividends are required to be transferred by the Company to IEPF established by the Central Government, after the completion of seven years. Further, according to the rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority, accordingly the Company has transferred unclaimed and unpaid dividend. Further, the corresponding shares will be transferred as per the requirements of IEPF rules, details of which are provided on Company's website at www.asistone.com.

Significant and material orders passed by the Regulators or Courts or Tribunals

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Sexual Harassment

Your Company has constituted an Internal Complaint Committee as required under Section 4 of Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no incidences of sexual harassment reported during the year under review.

Depository Services

The Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). The Company has been allotted ISIN No. INE443A01030.

The Shareholders therefore are requested to take full benefit of the same and lodge their holdings with Depository Participants (DPs) with whom they have their Demat Accounts for getting their holdings in electronic form.

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

As per provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, a statement in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo is attached as **Annexure "E"** to this Report.

Particulars of Employees

In terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement showing the name of the employees drawing remuneration in excess of the limit specified in the Rules are not applicable on the Company as during the period, no employee of the Company was drawing salary in excess of the limits prescribed therein.

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure "F"** to this report.

Your directors draw attention of the members to Note No. 39 to the financial statements which set out disclosure of remuneration to the Managing Director and Executive Director. The Remuneration policy has been posted on the website of the Company at www.asistone.com.

Public Deposit

The Company has not accepted or renewed any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

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

Place: Mumbai
Date: 30th May, 2017

Deepak Jatia
Chairman & Managing Director
DIN: 01068689

Annexure "A"

ANNUAL REPORT ON THE CSR ACTIVITIES

Report on Corporate Social Responsibility as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken by the Company has been given on the website of the Company. A brief area of CSR activities are given below:
 - eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
 - promoting education, including special education and employment enhancing vacation skills especially among children, women, elderly and the differently abled people and livelihood enhancement projects;
 - promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
 - ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
 - rural development projects, etc.
 - web link: www.asistone.com

Associated Stone Industries (Kotah) Ltd.

2. Composition of CSR Committee:

Sr. No.	Name	Designation
1	Mr. Anshul M. Sonawala	Chairman
2	Mr. Gaurang Gandhi	Member
3	Mr. Tushya Jatia	Member

3. Average Net profit for last three Financial Years:

Net Profit	For the Financial Year ended 31 st March (Rs. in Lacs)		
	2016	2015	2014
	1982.27	3141.91	1527.93
Average Net Profit for the preceding three Financial Years	2217.37		

4. Prescribed CSR expenditure (2% of Average Net Profit) : **Rs. 44.35 Lacs**

5. Amount unspent during previous year : **Rs. 6.49 Lacs**

6. Total eligible fund for expenditure : **Rs. 50.84 Lacs**

7. Details of CSR spend & Unspent for the financial year

a. Total amount spent for the financial year : **Rs. 44.04 Lacs**

b. Amount unspent, if any : **Rs. 6.80 Lacs**

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1)Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2)Overheads (Rs. in Lacs)	Cumulative expenditure upto the reporting period (Rs. in Lacs)	Amount spent: Direct or through implementing agency
1.	a) Contribution towards Mukhyamantri Jal Swavlamban Abhiyan Kota. b) Water Supply at Rly Station for providing drinking water to passengers	Providing Safe Drinking Water	Local Area, Ramganjmandi , Dist: Kota, Rajasthan	11.00	10.47	10.47	Amount spent Directly
2.	a) Paid to Rajasthan Medicare Relief Society, Govt. Hospital, Ramganjmandi towards cleaning Charges b) Expenses incurred for Maternity Hall Construction at Kudayala Panchyat Sub Health Center. c) Expenses incurred for Alcohol De-addiction Camp.	Medical and Healthcare	Local Area, Ramganjmandi , Dist: Kota, Rajasthan	14.00	13.10	23.57	Amount spent Directly

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1)Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2)Overheads (Rs. in Lacs)	Cumulative expenditure upto the reporting period (Rs. in Lacs)	Amount spent: Direct or through implementing agency
3.	Providing sports material and other help for sports activities	Promoting Sports	Amount Spent at various Districts in Rajasthan	2.00	1.18	24.75	Amount spent Directly
4	Providing Cattle Food to Goshala	Animal Welfare	Local Area, Ramganjmandi , Dist: Kota, Rajasthan	1.50	1.13	25.83	Amount spent Directly
5	Expenditure for running of School and providing bus facilities to girls students	Promoting Education	Local Area, Ramganjmandi , Dist: Kota, Rajasthan	11.00	9.52	35.40	Amount spent Directly
6.	Expenditure incurred on construction and repairing of Road and Cleaning work	Rural Development Project	Local Area, Ramganjmandi , Dist: Kota, Rajasthan	4.50	4.16	39.56	Amount spent Directly
7.	Construction of wall around the government hospital	Restoration work	Local Area, Ramganjmandi , Dist: Kota, Rajasthan	4.00	2.70	42.26	Amount spent Directly
8.	Distribution of foods packets, clothes and ceiling fans to Orphanage and girls shelter	Eradicating of Hunger and Poverty	Local Area, Ramganjmandi , Dist: Kota, Rajasthan	1.00	0.78	43.04	Amount spent Directly
9.	Expenses incurred for Mass Marriage for girls	Empowering Women	Local Area, Ramganjmandi , Dist: Kota, Rajasthan	2.00	1.00	44.04	Amount spent Directly
Total				51.00	44.04		

The Company has made a budget of Rs. 51.00 Lacs (including previous unspent amount of Rs. 6.49 Lacs). During the year under review, CSR expenditure was short by Rs. 6.80 Lacs.

We hereby declare that implementation and monitoring of projects and programmes, are in compliance with CSR objectives and CSR policy of the Company.

Place: Mumbai

Date :30th May, 2017

Anshul M. Sonawala
Chairman – CSR Committee
DIN: 00133376

Deepak Jatia
Managing Director
DIN: 01068689

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To,
The Members,
Associated Stone Industries (Kotah) Limited
Marathon Innova, A wing, 7th floor,
Off Ganpatrao Kadam Marg, Lower Parel,
Mumbai - 400 013.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Associated Stone Industries (Kotah) Limited** (hereinafter called “**the Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions of the applicable acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”);
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

We further report that the Company has a compliance system in place and we have examined the relevant documents and records with respect to other Acts as applicable which are as under:

- vi. Other applicable acts:
 - a. The Mines Act, 1952
 - b. The Explosive Act, 1884
 - c. The Factories Act, 1948
 - d. The Industrial Dispute Act, 1947 (ID Act)
 - e. The Equal Remuneration Act, 1976
 - f. The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952.
 - g. The Maternity Benefit Act, 1961.
 - h. The Minimum Wages Act, 1948.
 - i. The Payment of Bonus Act, 1965.