



## **ASI Industries Ltd.**

Building from a Solid Foundation

---

**76<sup>th</sup> Annual Report  
2021-2022**



## TABLE OF CONTENT

### **Corporate Overview**

- Corporate Information ..... 2

### **Management Report**

- Management Discussion and Analysis..... 4
- Board's Report ..... 7
- Corporate Governance Report ..... 24

### **Financial Statements**

- Standalone - Independent Auditors' Report..... 42
- Standalone Financial Statements..... 50
- Consolidated - Independent Auditors' Report..... 92
- Consolidated Financial Statements..... 98

## Corporate Information

### 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

### AUDITORS

M/s. S.C.Bandi & Co.  
Chartered Accountants  
Mumbai – 400021

### BANKERS

HDFC Bank Ltd  
IDBI Bank Ltd



### LISTED ON

Bombay Stock Exchange Limited

Security ID: ASIIL

Security code: 502015

### REGISTRAR AND SHARE TRANSFER AGENTS

M/s Link Intime India Private Limited, C-101, 247 Park

L.B.S. Marg, Vikhroli (West), Mumbai- 400 083,

Tel: 022 - 49186270, Fax: 022 - 49186060,

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

### REGISTERED OFFICE

Marathon Innova, 'A' Wing, 7th Floor,

Off: Ganpatrao Kadam Marg,

Lower Parel, Mumbai – 400013

### WORKS

Mining :	Kudayla Industrial Area, Ramganjmandi Dist. Kota, Rajasthan
Wind Power:	1) Beladadi Village, Taluk & Dist. Gadag, Karnataka 2) Rameshwar Village, Taluk Khatau, Dist. Satara, Maharashtra

## Management Discussion and Analysis

### GLOBAL ECONOMY

Although the global economy is progressively improving, the possibility of persistent inflation persists. The recovery has been supported by increased vaccine distribution across the world, however it has been uneven.

The conflict in Ukraine has generated an expensive humanitarian disaster that must be resolved peacefully. At the same time, the conflict's economic consequences will cause a considerable slowdown in global economy in 2022, as well as an increase in inflation and supply chain disruptions. Fuel and food prices have risen significantly, disproportionately affecting disadvantaged populations in the low-income nations.

Inflation predictions for 2022 are 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies, respectively, 1.8 and 2.8 percentage points higher than that anticipated in January.

### OUTLOOK

Global growth is expected to drop from 6.1 percent in 2021 to 3.6 percent in 2022 and 2023, according to projections. This is 0.8 and 0.2 percentage points lower than the January projections for 2022 and 2023, respectively. Over the medium run, global growth is expected to slow to around 3.3 percent after 2023. Multilateral measures are critical in responding to the humanitarian crisis, preventing further economic fragmentation, maintaining global liquidity, managing financial distress, combating climate change, and ending the pandemic.

### INDIAN ECONOMY

In a globally uncertain climate, India has remained consistent in its recovery owing to macro factors that have shielded the economy from global pressures. According to the National Statistical Office's second advance forecasts, the Indian economy will grow at an annual rate of 8.9% in FY22 (NSO)

India is now one of the world's fastest-growing major economies, thanks in part to a low base effect in Q1. The economy picked up steam in Q2, with economic activity rebounding to a considerable part as a result of the Covid-related restrictions being relaxed and the vaccination rate rising.

### OUTLOOK

During the year under review, India was hit by multiple COVID inflections, which resulted in massive loss of life and livelihood. However, increasing vaccine coverage, the Reserve Bank of India's (RBI) stable and accommodating monetary policy, and the Government of India's fiscal support all helped to mitigate the damage to a great extent.

India's real GDP is predicted to increase at 7.2 percent in 2022-23, with growth of 16.2 percent in Q1, 6.2 percent in Q2, 4.1 percent in Q3, and 4 percent in Q4. Inflation is expected to average 5.7 percent in 2022-23, with 6.3 percent in the first quarter, 5.8 percent in the second, 5.4 percent in the third, and 5.1 percent in the fourth. The economic interruptions created by the Russia-Ukraine conflict are mostly to blame for the steep increase in inflation projections.

### STONE INDUSTRY OVERVIEW

#### Global Stone Industry

According to analysts, the global market will increase at a CAGR of 4.1 percent over the following five years, from \$16,540 million in 2019 to \$19,460 million in 2025. The United States, as the developed world's representative, will sustain a 3.7 percent growth rate. Germany will add about 238.7 billion metric tonnes to Europe's size and clout in the next 5 to 6 years, ensuring the region's continued importance in the global economy. Rest of Europe markets will account for around 195.9 billion metric tonnes of estimated demand in the region. By the end of the analysis period, the market for granite in Japan will have grown to 1.4 trillion metric tonnes. China, as the world's second largest economy and a new game changer in global markets, has the potential to grow at 7.7% over the next few years, adding nearly 2 trillion metric tonnes of addressable opportunity for aspiring enterprises and their intelligent executives to choose from. The expansion and evolution of demand patterns in emerging Asia- Pacific, Latin America, and the Middle East will be shaped by a number of macroeconomic factors and internal market pressures



## Indian Granite Stone Industry

India is one of the world's leading producers of kota stone. The stone business, worth Rs.25,000 crore, has massive reserves of 4 trillion cubic metres. In addition, India has over 100 varieties of stone, which come in a variety of colours and textures.

### OPPORTUNITY AND THREAT

The market is experiencing robust growth due to a consistent increase in the residential construction sector worldwide and rising individual spending on home improvements. Countertops are typically installed in new homes as well as during kitchen remodelling. Furthermore, there has been an increase in bank mortgage refinances and loans, resulting in more credit being accessible for the renovation of existing residences, which is driving up demand for countertop items.

Due to a growing preference for higher-priced materials over laminates, the market value of the countertop sector is expected to expand over the projected period. The demand for countertops is being fuelled by continued high growth in developing economies such as China, India, and Brazil. Throughout the world, the countertop market is on the rise. One positive aspect of this progression is that, as a result of the high level of quality and low cost, more people are opting for stone countertops.

in FY2022, the COVID-19 pandemic is predicted to have a significant influence on worldwide countertop demand, resulting in a reduced growth rate until 2024. The pandemic will have a substantial impact on the fast-growing engineered stone countertop business, notably in the United States, which will be exacerbated by the newly enforced tariffs on quartz slab imports

### SEGMENT WISE PERFORMANCE

Financial results for the year ended 31<sup>st</sup> March 2022, segment wise are as under:

Rs. in lakhs (Consolidated)

Particulars	Stone		Wind Power		Trading		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>REVENUE</b>								
External Sales	23745.43	17,836.01	57.97	63.31	0.00	4,780.43	23803.44	22,679.75
Other Income	548.38	424.66	0.00	0.62	0.00	0.00	548.38	425.11
Profit before Finance Cost & Tax	(5089.03)	2,314.85	(58.85)	(70.95)	0.00	105.50	(5147.88)	2,349.40
Finance Cost	1187.68	696.43	0.00	0.00	0.00	0.00	1187.68	696.43
Profit/(Loss) Before Tax & Exceptional Item	(6276.71)	1,618.42	(58.85)	(70.95)	0.00	105.00	(6335.56)	1,652.97
Add: Exceptional item	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Profit/(Loss) Before Tax</b>	<b>(6276.71)</b>	<b>1,618.42</b>	<b>(58.85)</b>	<b>(70.95)</b>	<b>105.50</b>	<b>105.50</b>	<b>(6335.56)</b>	<b>1,652.97</b>
Tax Expense							(745.14)	467.74
<b>Net Profit/(Loss)</b>							<b>(5590.42)</b>	<b>1,185.23</b>

During the year under review, there is no trading business due to adverse impact of business due to Covid-19.

The Generation of Power depends on flow of wind. The Company continue to operate Wind Power Plant at Gadag District of Karnataka and at Satara District of Maharashtra during the year with the total installed capacity of 3.625 MW. During the year Company generate 1496.09 mwh of electricity and total turnover was Rs. 57.97 lakhs.

### Financial Ratios

Please refer Note No. 38 of Standalone Financial Statement.

### OVERSEAS SUBSIDIARY

The Company has two foreign subsidiaries, namely Al Rawasi Rock and Aggregates LLC, which is based in UAE and ASI Global Ltd., which is based in Mauritius. Their international presence enables your Company to tap the window of huge volume of industrial, infrastructural, reclamation and other construction work which is currently underway in the Gulf region. The net profit (loss) of Al Rawasi Rock and Aggregates Ltd was AED 286,931 AED in 2020-21 and (AED 23,390,928) in 2021-22.

## DEVELOPMENT IN HUMAN RESOURCE / INDUSTRIAL RELATIONS

The Company takes immense satisfaction and pride in the knowledge that each of our employees displays excellent commitment, hard work and dedication in all areas of business. The Company has adopted a structured and well managed induction process as well as management development programmes to help upgrade the skillset of its managers. The senior management staff has a system of objective appraisal in place which is based on key result areas. The Company is committed to nurturing, enhancing and retaining its top talent through organizational development. This is an integral part of our Corporate HR function and is a critical pillar to support the organization's growth and sustainability in the long run

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company is equipped with an efficient and smoothly functioning internal control and risk-mitigation system. Its constant assessment and revision based on the new/updated standard operating procedures helps it remain up to date. The internal control system of the company is equivalent to the size, scale and complexities of the operations that it undertakes. The internal and operational audit is entrusted to M/s. L.B.Jha & Co., a firm of Chartered Accountants. The major focus of the internal audit is to review and analyse the controls and business processes along with benchmarking controls with the best methodologies in the industry. The Audit Committee of the Board of Directors actively reviews the adequacy and efficiency of the internal control systems and makes suggestions to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism. The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised for their well-researched internal audit findings and the corrective actions taken or suggested by them. Audit plays an important role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken and suggested by the management are presented to the Audit Committee of the Board. The Internal Audit function reports to the Chairman of the Company and Audit Committee in order to maintain its independence and objectivity.

For ASI Industries Limited

Date: 30<sup>th</sup> May, 2022  
Place: Mumbai

Deepak Jatia  
Chairman and Managing Director  
DIN 01068689





## BOARD'S REPORT

Dear Members,

The Board of Directors are pleased to present the Company's 76<sup>th</sup> Annual Report on business and operations, together with the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2022.

### FINANCIAL SUMMARY AND HIGHLIGHTS

A summary of the Company's financial results for the Financial Year 2021-22 are as under:

(Rs. in Lacs)

Particulars	Standalone		Consolidated	
	2022	2021	2022	2021
Total Revenue	20723.59	17677.64	24351.82	23058.58
EBIDTA	1171.82	2854.61	(868.62)	4086.55
PAT	(1454.78)	1097.52	(5590.42)	1185.23

### PERFORMANCE- STANDALONE

Total revenue was Rs. 20723.59 Lacs for FY 2021-22 as compared to Rs. 17677.64 Lacs for FY 2020-21 an increase of 17%. EBITDA stood at Rs. 1171.82 Lacs as compared to 2854.61 Lacs during FY 2020-21 and Net Profit (Loss) after Tax stood at Rs. (1454.78) Lacs for FY 2021-22 as compared to Rs. 1097.52 Lacs for FY 2020-21.

### PERFORMANCE- CONSOLIDATED

Total revenue was Rs. 24351.82 Lacs for FY 2021-22 as compared to Rs. 23058.58 Lacs for FY 2020-21. EBITDA stood at Rs. (868.62) Lacs as compared to Rs. 4086.55 Lacs during FY 2020-21 and Net Profit (Loss) after Tax stood at Rs. (5590.42) Lacs for FY 2021-22 as compared to Rs. 1185.23 Lacs for FY 2020-21.

### WIND POWER

The Company operated 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 during the financial year 2021-22, However due to change of wind pattern and low generation of power and increase of maintenance cost the Board has decided to discard/sale of its wind power units to avoid further loss.

### ENGINEERED STONE PROJECT

The Company has decided to transfer this unit on slum sale basis during the financial year 2021-22 to Marudhar Quartz Surface Private Limited. The shareholders has approved the resolution through postal ballot resolution passed on 18<sup>th</sup> December, 2021 with the requisite majority and the Company has taken all necessary approvals in this regard. The Business Transfer Agreement has been signed on 31<sup>st</sup> January, 2022. The Company has received entire consideration of Rs. 8450 Lacs and repaid the loan taken from the Bankers. The financial figure are solely of the Company, however, with effect from BTA and till the date of final approval from the SEZ Authorities, all the operation is being carried out by and on behalf of Marudhar

Quartz Surface Private Limited.

### DIVIDEND

Due to weak financial position during the year under review, Board of Director does not recommend any dividend payments, for the financial year ended 31<sup>st</sup> March, 2022, to safeguard its financial reserves to finance the future growth opportunity.

### SHARE CAPITAL

#### Authorized Share capital

The Authorized Share Capital of the Company stood Rs. 28,45,00,000/- consist 26,24,00,000 equity shares of Re.1/- each, 200000 Redeemable Preference Shares of Rs. 100/- each, 1000 12% Non-Cumulative Preference Shares of Rs. 100/-each and 200000 un classified shares of Rs.10/-each.

#### Paid Up Share Capital

The paid-up Equity Share Capital as at 31<sup>st</sup> March, 2022 stood at Rs. 900.75 Lacs. The Company has not issued any convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants.

### TRANSFER TO RESERVE

The Company has not transferred any amount to the General Reserve for the year ended 31 March, 2022.

### FINANCE AND ACCOUNTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on 31<sup>st</sup> March, 2022 has been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended 31<sup>st</sup> March, 2021. The Notes to the Financial Statements adequately cover the standalone and consolidated

Audited Statements and form an integral part of this Report.

## OUR SUNSIDIARIES AND ASSOCIATE

The Company has two foreign subsidiaries viz: ASI Global Limited, Mauritius and Al Rawasi Rock & Aggregate LLC, Fujairah, UAE and one indian associate Company namely Stone Masters (India) Private Limited.

Your directors draw attention of the members to the Note No. 34 of Consolidated Financial Statements which set out salient features of Financial Statement of Subsidiary and Associate Companies.

## MATERIAL SUBSIDIARY

Al Rawasi Rock Aggregate LLC became a material subsidiary of the Company on the basis of 31<sup>st</sup> March, 2022 thresholds laid down under the Listing Regulations as amended. The Board of Directors of the Company has approved a Policy for determining material subsidiaries which is in line with the Listing Regulations as amended from time to time. The Policy was revised effective from April 1, 2019 in line with the amendments made to the Listing Regulations. The Policy has been uploaded on the Company's website at <http://www.asigroup.co.in>

## CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries is given in Form AOC-1 which forms an integral part of this Report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is provided in a separate section and forms an integral part of this Report.

## CORPORATE GOVERNANCE

As per Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Act is available on the Company's website viz. <http://www.asigroup.co.in>

## DIRECTORS

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr. Tushya Jatia, Director retires by rotation at the forthcoming Annual General Meeting

and, being eligible offers himself for re-appointment. The Board recommends him re-appointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting. Brief profile of Mr. Tushya Jatia has been given in the Notice convening the Annual General Meeting.

All Independent Directors of the Company have given declarations that they meet the criteria of independence as

laid down under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. The Board is of the opinion that all Independent Directors of the Company possess requisite qualifications, experience, expertise and they hold highest standards of integrity All Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs at Manesar ('IICA') as required under Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 further all the Independent Director have served for more than three years on board of listed entities and hence shall not be required to pass the online proficiency self-assessment test as per the proviso to Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

## NUMBER OF MEETINGS OF THE BOARD

The details of the number of meetings of the Board held during the Financial Year 2021-22 forms part of the Corporate Governance Report.

## KEY MANAGERIAL PERSONNEL

Mr. Deepak Jatia- Chairman and Managing Director, Mr. S.R.Soni- Chief Executive officer, Mr. Pavan Soni- Chief Financial Officer and Mr. Manoj Jain- Company Secretary and Compliance Officer are the Key Managerial Personnel of the Company. During the year under review, no person were appointed/ceased as Key Managerial Personnel of the Company.

## COMMITTEES OF THE BOARD

The Board of Directors have Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee.

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

## PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS, ITS INDIVIDUAL MEMBERS, AND ITS COMMITTEES

In terms with the Policy for Evaluation of the Performance of the Board of Directors of the Company, we conducted a formal Board Effectiveness Review, as part of our efforts to evaluate the performance of our Board and identify areas that need improvement, in order to enhance the effectiveness of the Board its Committees, and Individual Directors. This was in line with the requirements of the Companies Act 2013 and the Securities