

35th Annual Report

2004-2005



The Refractories to Associate With

ASSOCIATED CERAMICS LIMITED

Board of Directors Arun Agarwal - Managing Director
 Sharad Agarwal - Director
 Binod Suhasaria - Director

Registered Office 17, Ganesh Chandra Avenue
 4th Floor, Kolkata - 700 013

**Corporate Office
& Works** P.O. Chirkunda
 Dist. Dhanbad (Jharkhand)
 PIN - 828 202

Bankers Union Bank of India
 Asansol

 The Vysya Bank Ltd.
 Kolkata

Auditors M/s. A. Pandey & Associates
 Kolkata

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The Refractories to Associate With

ASSOCIATED CERAMICS LIMITED

NOTICE OF THE THIRTY FIFTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 35th Annual General Meeting of **Associated Ceramics Limited** will be held at its registered office 17, G.C. Avenue, 4th Floor, Kolkata - 700 013 on Friday, the 30th September, 2005 at 11.30 a.m. to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March, 2005 and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Binod Suhasaria who retires by rotation and eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration. In this connection, to consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution :

"RESOLVED that M/s. A. Pandey & Associates, Chartered Accountants, who retire after conclusion of this Annual General Meeting and offer themselves for reappointment be and are hereby appointed as the Auditors of the Company to hold such office till the conclusion of the next Annual General Meeting at a remuneration to be decided later on."

Dated : 25th July, 2005
Registered Office :
17, G.C. Avenue, 4th Floor,
Kolkata - 700 013

By order of the Board

Sd/-
Arun Agarwal
Managing Director

NOTES

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the company. Proxies duly stamped and signed must be deposited with the Company's Registered Office at 17, G.C. Avenue, 4th Floor, Kolkata - 700 013 not less than 48 hours before the time fixed for the meeting.
2. As a measure of economy copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report at the Meeting.
3. Members are requested to notify immediately any change in their address to the Company's Registered Office quoting their folio Nos.
4. Shareholders may please note that no gifts are proposed to be distributed at the meeting.

ASSOCIATED CERAMICS LIMITED

DIRECTORS' REPORT

To

The Memebers,

Your Directors have pleasure in submitting the Annual Report together with the Audited Accounts for the year ended 31st March, 2005.

	Current Year (Rs.)	Previous Year (Rs.)
FINANCIAL RESULTS :		
Profit Before Taxation	37,72,916.00	21,37,411.00
<u>Provision for Taxes</u>		
Current Tax	2,90,185.00	8,57,190.00
Deferred Tax	9,25,368.00	(90,396.00)
Profit after Taxation	25,55,643.00	7,43,485.00
Transfer to Statutory Reserve		
Income Tax paid for earlier year	1,720.00	6,27,132.00
Brought Forward from Prev. year	71,95,049.00	64,51,564.00
Balance carried to Balance Sheet	97,50,692.00	71,95,049.00

FUTURE PERFORMANCE

During the year under review, the company have made of Rs. 25,55,643.00 (PAT) in comparison to that previous year of Rs. 7,43,485.00. Your Directors are implementing various cost reduction programmes and the benefit of those are reflected in the financial statements and they will result more profitability in the coming years.

DIVIDEND

In view of nominal profit, your Directors do not recommend any dividend for the year.

AUDITORS

The retiring Auditors A. Pandey & Associates, Chartered Accountants, Kolkata hold office till the conclusion of the Annual General Meeting and is eligible for re-appointment.

DIRECTORS

Shri Binod Suhasaria, retires by rotation and being eligible for reappointment. None of the Directors of the company is disqualified from being appointed as the Director of the Company.

CORPORATE GOVERNANCE

As required under clause 49 of the listing agreement with the Stock Exchange, the report on Corporate Governance together with Auditors View regarding compliance of the SEBI Code of Corporate Governance is annexed herewith.

ASSOCIATED CERAMICS LIMITED

DIRECTORS' REPORT Contd.

PERSONNEL

Your Directors place on record the sense of appreciation for the valuable contribution made by the staff members of the Company and hope that their continued support will help in achieving the goals of the Company. In accordance with the requirement of Section 217(2A) of the Companies Act, 1956, it is stated that no employee of the Company is in receipt of remuneration aggregating to Rs. 24,00,000/- or more for the year and Rs. 2,00,000/- or more per month for the part of the year.

STATUTORY INFORMATION

Particulars required to be furnished by the companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 :

CONSERVATION OF ENERGY : Nil

TECHNOLOGY ABSORPTION & ADOPTION : Nil

FOREIGN EXCHANGE EARNING AND OUTGO : Nil

RESPONSIBILITY STATEMENT

- i) in perception of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- ii) The Directors have selected such accounting policies and have applied them which 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 of the company for that period.
- iii) The Directors have taken proper and sufficient care for 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.
- iv) The Directors have prepared the annual accounts on going concern basis.

ACKNOWLEDGEMENTS

The Board wishes to place on record their gratitude for the co-operation and assistance received all those who contributed by some means or other for the performance of the Company and expect the same in the future.

Place : Kolkata
Date : 25.07.2005

By order of the Board
Director

ASSOCIATED CERAMICS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Particulars Required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Part - A

Sl. No.	Power & Fuel Consumption	Current Year 2005	Previous Year 2004
01.	ELECTRICITY :		
	Purchased :-		
	Unit (Kwh)	1252349	914833
	Total Amount (Rs. in Lacs)	72.96	39.75
	Rate / Unit (Rs.)	5.63	4.35
	OWN GENERATION :		
	(Through Diesel)		
	Unit (Kwh)	14192	49087
	Unit per Litre of Diesel	27.94	21.14
	Cost per Unit (Rs.)	8.79	6.55
02.	COAL :		
	Quantity in M.T.	3644	3052
	Total Cost (Rs.)	101.44	85.36
	Average Rate per M.T. (Rs.)	2784	2274
03.	FURNACE OIL :		
	Quantity in K/Ltr.	945	907
	Total Cost (Rs. in Lacs)	114.99	99.40
	Average Rate per K/Ltr.	12164	10529

By order of the Board

Sd/-

Arun Agarwal
Managing Director

Place : Kolkata
Date : 25.07.2006

ASSOCIATED CERAMICS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

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 corporate Governance.

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and intergrity. The Company has implemented mandatory requirements of the code of Governance as mentioned in clause 49 of the listing Agreement.

2) The Board comprises of one wholetime director and two other non-executive directors of whom one is an independent director.

The composition of the board and other details relating to Directors are given below :

Name of the Director	Designation	Category of Directorship	No. of other Directorship	No. of other Committee Memberships
Mr. Arun Agarwal	Wholetime Director	Executive	10	2
Mr. Sharad Agarwal	Director	Non-Executive	1	1
Mr. Binod Suhasaria	Director	Non-Executive	-	1

3) Audit Committee

The Board of Directors have constituted the Audit Committee. The composition procedure, role/function of the Audit Committee comply in part with the requirements of the Listing Agreement. The brief terms of reference of Audit Committee includes the following:

Overseeing the Company's financial report process and disclosure of its Financial information. Review of halfyearly and annual financial results before submission to the Board.

Disclosure with statutory and internal auditors about the nature and scope of audit and their observations.

Investigate any matter referred to by the Board.

The Composition of the Audit Committee:

Members	Category
Mr. Binod Suhasaria	Independent
Mr. Sharad Agarwal	Independent

During the year under review no meeting of the Audit Committee was held.

4) Shareholders' / Investors' Grievances Committee

The Board of Directors have constituted Shareholders/Investors Grievances Committee to look into the specific Complaints received from the shareholders of the Company. The

ASSOCIATED CERAMICS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Composition of the said Committee is as follows:-

Members	Category
Mr. Arun Agarwal	Independent
Mr. Sharad Agarwal	Independent

During the year under review no meeting of the Shareholders / Investors Grievances Committee was held.

5) Board Procedure

Composition :

At present the strength of the board is 3 Directors. The Composition of the Board of Directors and their attendance at the Board Meeting and at the last Annual General Meeting is as follows:

Name of the Director	Nature of Directorship	No. of Board meeting attended	Attendance at the last AGM
Mr. Arun Agarwal	Executive Chairperson	10	Yes
Mr. Sharad Agarwal	Non-Executive Director	10	Yes
Mr. Binod Suhasaria	Non-Executive Director	10	Yes

During the financial year ending on 31.03.2005 10 (Ten) meetings of the Board of Directors on 29-04-2004, 05-05-2004, 07-07-2004, 20-07-2004, 27-07-2004, 30-07-2004, 30-09-2004, 30-10-2004, 30-01-2005 and 31-01-2005 were held.

Responsibilities :

At the board meeting of the company the directors are being provided information stipulated in clause 49 of the listing Agreement. The Board has a formal schedule of matters reserved for its consideration which includes reviewing performance. The Company has designated the required information system for the purpose.

Role of Independent Directors :

The Independent Directors play an important role in deliberations in the Board Meeting and being to the Company, their wider experience in the fields of Accountancy , Finance, Management, etc.

Board Meetings :

The meeting of the Board of Directors are being held at regular intervals of not more than four months at the Company's Registered office at Kolkata and are generally schedule well in advance and the provisions under the Companies Act,1956 and those under clause 49 of the Listing Agreement are followed in this regard. The Board meets at least once in a quarter to review quarterly performance and financial results. The agenda of the meeting is prepared and circulated to the directors in advance. The Members of the Board have access to all information pertaining to the Company and are free to recommend inclusion of any matter in the agenda for the discussion Senior Executive /Director of the Group Company are invited to attend the Board Meeting for discussion and providing inputs and their views,as and when required.

ASSOCIATED CERAMICS LIMITED

General Body Meetings

The Previous three Annual General Meeting of the Company held on the dates, at time and venue given below:

Financial Year	Date	Time	Venue
2001-2002	30.09.2002, Monday	11.00 a.m.	17, G. C. Avenue Kolkata - 700 013
2002-2003	30.09.2003, Tuesday	10.00 a.m.	17, G. C. Avenue Kolkata - 700 013
2003-2004	30.09.2004, Thursday	11.30 a.m.	17, G. C. Avenue Kolkata - 700 013

All the special resolution moved at the last Annual General Meeting were passed by a show of hands unanimously by all the members present at the meeting and no special resolution was put through postal ballot.

7) Disclosures

During the financial year ended on 31st March,2005 there were no materially significant related party transactions with the Company's Directors or their relatives.

The Company has complied with all the statutory requirements comprised in the listing Agreement/Regulation/Guidelines/Rules of the Stock Exchanges/SEBI/other Statutory Authorities.

8) Means of Communications

The quarterly /half -yearly and annual financial results of the Company are sent to the Stock Exchange where the shares of the Company are listed immediately after they have been taken on record by the board.The same are usually published in Asian Age /Financial Express & Dainik Lipi / Kalantar Newspaper.The Company is also providing information relating to the material events from time to time to the investors and to the public at large by faxing the information to the stock exchange as and when happened

9) General Shareholder Information

Annual General Meeting :

Date : 30th September 2005
Day : Friday
Time : 11.30 a.m.
Venue : 17, G. C. Avenue, Kolkata - 13

Date of Book Closure :

From 26th September,2005 to 30th September,2005 (both days inclusive)

Listing of Securities

Calcutta Stock Exchange.
Mumbai Stock Exchange.
Hyderabad Stock Exchange.

ASSOCIATED CERAMICS LIMITED

Listing Fees

The Company has paid listing fees for the financial year 2004-2005 to all the Stock Exchanges where the securities are listed.

Demat ISIN Number for NSDL and CDSL

ISIN number has been issued to Equity Shares by NSDL & CDSL is INE771E01010

The Registrar & Share Transfer Agents

Niche Technologies Private Limited

C-444, Bagri Market,

71, B.R.B. Road

Kolkata-700 001

Distribution of Shareholding as on 31st March 2005

No. of Equity Shares held	No. of Share holders	% of total Shareholders	Shares Nos.	% of total Nos.
Upto 100	26	4.0498	2600	0.0865
101-500	444	69.1600	104500	3.4775
501-1000	45	7.0093	42300	1.4076
1001-5000	61	9.5016	148500	4.9417
5001-10000	19	2.9595	177650	5.9118
10001-50000	37	5.7632	911050	30.318
50001-100000	4	0.6231	342900	11.411
100001 and above	6	0.9346	1275530	42.45
Total	642	100.00	3005030	100.00

Category of Shareholders As on 31st March 2005.

Category	No. of Share held	% of total Shareholding
Public	1291100	42.965
Domestic Bodies Corporate	381600	12.70
Promoters & Associates	1332330	44.336
TOTAL	3005030	100.00

Dematerialisation of Shares and Liquidity

ASSOCIATED CERAMICS LIMITED

AUDITORS' CERTIFICATE

To,
The Members of
ASSOCIATED CERAMICS LIMITED

17, Ganesh Chandra Avenue, 4th Floor, Kolkata-700 013

We have examined the Compliance of the Conditions of Corporate Governance by **Associated Ceramics Limited** for the year ended on March 31, 2005 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring Compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we confirm that the Company has generally complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

As required by the Guidance not issued by the institute of Chartered Accountants of India, we have to state that based on the report given by the Registrar of Company to the investor's Grievance Committee, there was no Investor's Grievance matter remaining unattended for more than 30 days as on 31st March, 2005, against the Company.

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

Place : Kolkata
Date : 25.07.2005

For **A. PANDEY & ASSOCIATES**
Chartered Accountants
Sd/-
(A. PANDEY)
Proprietor
ICAI Membership No. 52873

ASSOCIATED CERAMICS LIMITED

AUDITORS' REPORT

To
The Members of,
Associated Ceramics Limited

1. We have audited the attached Balance Sheet of ASSOCIATED CERAMICS LIMITED as at March 31, 2005, Profit & Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we further report that :
 - (i)
 - a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
 - c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
 - (ii)
 - a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and the same has been properly dealt with in the books of account.
 - (iii)
 - a) The company has taken unsecured loans from two companies covered in the register maintained under Section 301 of the Companies Act, 1956. As per arrangement with those companies the amount has been drawn as per requirement. The maximum amount drawn during the year was Rs. 69.15 Lacs and the year end balance was Rs. 3.76 Lacs. The company has granted loans to two companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 1.89 Lacs and year end Balance was Nil.
 - b) In our opinion and according to information and explanations given to us the rate of interest and other terms and conditions on which said loans have been taken or granted are prima facie not prejudicial to the interest of the company.

ASSOCIATED CERAMICS LIMITED

AUDITORS' REPORT Contd.

- c) The Company has repaid the principal amount as stipulated and has been regular in the payment of interest for the loan taken by it. In case of loan granted by the company neither principal amount or interest is due as per terms of the loan.
- d) There are no overdue amounts of principal and interest in respect of the said loans.
- (iv) In our opinion, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any major weaknesses in the aforesaid internal control procedures.
- (v)
 - a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register in pursuance to Section 301 of the Act, have been so entered.
 - b) In our opinion and according to the information and explanations given to us, there are no transactions made pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Act exceeding the value of Rupees Five Lacs in respect of any party during the year.
- (vi) The company has not accepted any deposits from the public within the meaning of Sections 58A and 54AA of the Act and the rules framed thereunder.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
- (ix)
 - a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, customs duty, cess and other material statutory dues, as applicable, with the appropriate authorities and no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March, 2005 for a period of more than six months.
 - b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute (without considering cases wherein the disputed dues have been paid under protest and net of demands raised which have been adjusted by the appropriate authorities against the fund of some other year(s) due to the company).
- (x) The company has no accumulated losses as at March 31, 2005 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions as at the balance sheet date.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statutes applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the company.

ASSOCIATED CERAMICS LIMITED

AUDITORS' REPORT Contd.

- (xiv) In our opinion the Company is not a dealer in shares, securities, debentures and other instruments.
 - (xv) In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
 - (xvi) The company has not taken any term loans during the year.
 - (xvii) On the basis of an overall examination of the Balance Sheet of the company, in our opinion and according to the information and explanation given to us, there are no funds raised on a short term basis which have been used for long term and vice-versa.
 - (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
 - (xix) The company has not raised any money by public issue during the year.
 - (xx) During the course of our examination of the books and records of the company, carried out in accordance with the generally accept auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, notice or reported during the year, nor have we been informed of such case by the management.
4. Further to our comments in paragraph 3 above, we report that :
- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - c) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - e) On the basis of written representations received from the directors, as on March 31, 2005 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2005 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2005;
 - (ii) in the case of Profit and Loss Account, of the profit for the year ended on that date.
 - (iii) in the case of the Cash Flow Statement of the Cash Flows for the year ended on that date.

For **A. PANDEY & ASSOCIATES**
Chartered Accountants

Sd/-

(A. PANDEY)
Proprietor

ICAI Membership No. 52873

Place : Kolkata
Date : 25.07.2005

ASSOCIATED CERAMICS LIMITED

BALANCE SHEET AS ON 31ST MARCH, 2005

	SCHEDULE	As at 31st March, 2005 (Rs.)	As at 31st March, 2004 (Rs.)
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS :			
Share Capital	A	32,598,050	32,598,050
Reserve & Surplus	B	69,817,379	67,564,495
Deferred Tax Liability		2,517,940	1,592,572
Loan Funds			
Secured Loan	C	14,017,785	5,543,575
Unsecured Loan	D	17,480,392	27,089,523
TOTAL		<u>136,431,546</u>	<u>134,388,215</u>
APPLICATION OF FUNDS :			
Fixed Assets			
Gross Block	E	93,040,731	58,550,141
Less : Depreciation		45,907,257	42,439,863
Net Block		<u>47,133,474</u>	<u>16,110,278</u>
Capital Work-in-Progress		472,848	—
INVESTMENTS			
Current Assets, Loans & Advances :			
Inventories	G	73,741,182	24,417,942
Sundry Debtors	H	58,886,148	100,617,922
Cash & Bank Balances	I	10,383,274	10,778,400
Loans, Advances & Deposits	J	13,235,964	8,611,086
		<u>156,246,568</u>	<u>144,425,350</u>
LESS : CURRENT LIABILITIES & PROVISIONS :			
Liabilities	K	89,506,483	48,925,217
Provisions		1,147,375	857,190
		<u>90,653,858</u>	<u>49,782,407</u>
NET CURRENT ASSETS :		65,592,710	94,642,943
Miscellaneous Expenditure (To the extent not written off or adjusted)		261,991	676,991
TOTAL		<u>136,431,546</u>	<u>134,388,215</u>

Notes on Accounts &

Significant Accounting Policies

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In terms of our report of even date
For **A. PANDEY & ASSOCIATES**

Chartered Accountants

Sd/-

(A. PANDEY)

Proprietor

Place : Kolkata

Date : 25.07.2005

Sd/-

Arun Agarwal - Managing Director

Sharad Agarwal - Director

Binod Suhasaria - Director

ASSOCIATED CERAMICS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2005

	SCHEDULE	As at 31st March, 2005 (Rs.)	As at 31st March, 2004 (Rs.)
INCOME :			
Gross Sales	L		
Domestic		219,375,731	
Exports		—	
		219,375,731	213,014,623
Less : Excise Duty		29,729,503	29,321,987
Net Sales		189,646,228	183,692,636
Other Income	M	2,255,789	207,564
Increase / (Decrease) in Stock	N	24,545,364	(5,155,600)
		216,447,381	178,744,600
EXPENDITURE :			
Manufacturing Expenses	O	189,110,284	155,910,582
Employee's Remuneration & Benefits	P	9,335,918	6,408,615
Selling Expenses		4,657,993	4,494,792
Interest		447,124	1,173,855
Other Expenses	Q	5,227,339	6,495,935
Depreciation	R	3,895,807	2,123,410
		212,674,465	176,607,189
PROFIT BEFORE TAXATION :		3,772,916	2,137,411
Provision For Taxation : Current Tax		290,185	857,190
Deferred Tax		925,368	(90,396)
Income Tax adjustment for earlier years		1,720	627,132
Profit after Taxation		2,555,643	743,485
Balance B/F from Previous Year		7,195,049	6,451,564
Profit available for appropriation		9,750,692	7,195,049
APPROPRIATION			
BALANCE CARRIED FORWARD		9,750,692	7,195,049
		9,750,692	7,195,049
Earning per share (Basic/Diluted)		1.25	0.36

**Notes on Accounts &
Significant Accounting Policies**

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In terms of our report of even date
For **A. PANDEY & ASSOCIATES**

Chartered Accountants

Sd/-

(A. PANDEY)

Proprietor

Sd/-

Arun Agarwal - Managing Director

Sharad Agarwal - Director

Binod Suhasaria - Director

Place : Kolkata
Date : 25.07.2005

ASSOCIATED CERAMICS LIMITED

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE - A SHARE CAPITAL :	As at 31st March, 2005 (Rs.)	As at 31st March, 2004 (Rs.)
Authorised		
30,25,000 Equity Shares of Rs. 10/- each (Previous Year 30,25,000 Equity Shares of Rs. 10/- each)	30,250,000	30,250,000
9,750 Preferential Shares of Rs. 1,000/- each (Previous Year 9750 Pref. Shares of Rs. 1000/- each)	9,750,000	9,750,000
	40,000,000	40,000,000
Issued, Subscribed & Paid - Up		
30,05,030 Equity Shares of Rs. 10/- each (Previous Year 30,05,030 Equity Shares of Rs. 10/- each)	30,050,300	
Less : Call in arrears		
9,60,300 Equity Shares @ Rs. 7.50 each	7,202,250	22,848,050
9750 Preferential Shares of Rs. 1,000/- each (Previous year 9750 Preferential Shares of 1000/- each)		9,750,000
		32,598,050
		32,598,050
SCHEDULE - B RESERVE & SURPLUS :		
Capital Reserve		
(Balance as per last A/c)	4,205,476	
Less : Transfer to Profit & Loss A/c	302,759	3,902,717
		4,205,476
Capital Subsidy		1,500,000
		1,500,000
General Reserve		
Balance as per last A/c		118,970
Premium Reserve		54,545,000
Profit and Loss A/c		9,750,692
		69,817,379
		67,564,495
SCHEDULE - C SECURED LOANS :		
Cash Credit from Banks	14,017,785	5,543,575
	14,017,785	5,543,575
SCHEDULE - D UNSECURED LOANS :		
Other Loans	375,765	6,708,896
Deferment of Sales Tax	17,104,627	20,380,627
	17,480,392	27,089,523

SCHEDULE - E
FIXED ASSETS :

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 01-04-2004	Addition during the year	TOTAL COST AS AT 31-03-2005	UP TO 31-03-2004	For the year	TOTAL	AS AT 31-03-2005	AS AT 31-03-2004
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Land	1,025,118	6,516,094	7,541,212	—	—	—	7,541,212	1,025,118
Plant and Machinery	26,959,000	12,140,119	39,099,119	22,896,559	2,279,605	25,176,164	13,922,955	4,062,441
Buildings	9,948,554	13,569,060	23,517,614	4,217,682	702,850	4,920,532	18,597,082	5,730,872
Furniture & Fixture	239,821	—	239,821	207,171	5,910	213,081	26,740	32,650
Laboratory	1,068,062	1,457,384	2,525,446	845,950	46,355	892,305	1,633,141	222,112
Generator Set	2,462,631	(584,025)	1,878,606	1,734,975	108,670	1,843,645	248,263	727,656
				213,302		213,302		
Office Equipments	1,879,648	309,111	2,188,759	1,167,916	147,505	1,315,421	873,338	711,732
Electric Installation	—	24,812	24,812	—	1,123	1,123	23,689	—
Type Writers	13,992	—	13,992	13,551	80	13,631	361	441
Motor Vehicles	2,815,839	616,225	2,841,188	2,043,459	293,729	2,337,188	1,021,870	772,380
		(590,876)		517,870		517,870		
Motor Cycle	17,696	—	17,696	17,377	83	17,460	236	319
Cycle	3,578	1,750	5,328	3,311	111	3,422	1,906	267
Pay Loader/Fork Lift Truck	1,580,056	—	1,580,056	997,391	150,852	1,148,243	431,813	582,665
Project	8,862,847	—	8,862,847	7,195,320	348,013	7,543,333	1,319,514	1,667,527
Tools & Equipment	48,502	95,123	143,625	35,305	15,989	51,294	92,331	13,197
Dust Catcher	1,168,554	—	1,168,554	926,264	50,566	976,830	191,724	242,290
Weigh Bridge	456,243	935,813	1,392,056	137,632	47,125	184,757	1,207,299	318,611
Total	58,550,141	34,490,590	93,040,731	41,708,691	4,198,566	45,907,257	47,133,474	16,110,278
Capital Work in Progress	—	472,848	472,848	—	—	—	472,848	—
Previous Year	56,663,762	1,886,379	58,550,141	39,972,084	2,467,779	42,439,863	16,110,278	16,691,678

ASSOCIATED CERAMICS LIMITED

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE - F		As at 31st	As at 31st
INVESTMENTS :		March, 2005	March, 2004
		(Rs.)	(Rs.)
LONG TERM QUOTED SHARES	FACE VALUE		
	(Rs.)		
Trade			
336 Jindal Photo Film Ltd.	10	63,000	262,500
1064 Consolidated F & H Ltd.	10	199,500	—
3500 Triveni Sheet Glass Ltd.	10	250,000	245,000
50000 Amarjyoti Udyog Ltd.	10	500,000	500,000
500 HDFC Bank Ltd.	10	5,000	5,000
22800 Jindal Vijaynagar Steels Ltd.	10	—	248,250
997 JSW Steel Ltd.	10	197,855	—
203 JSW Warrants		50,395	—
Bonds			
950 ICICI Safety Bonds		4,500,000	4,500,000
500 IDBI Flexi Bonds		1,500,000	2,500,000
UNQUOTED			
(Other than Govt. Securities)			
Sharad Refractories Pvt. Ltd.		5,000	5,000
Share Application Money (Refund due)			5,000
Associated Global Finance Ltd.		30,000	30,000
Mutual Funds	NO. OF UNITS		
HDFC Income Fund			14,185
Birla Cash Plus Retail Plan			702
Birla MIP Plan C			1,116,529
HDFC MF MIP-Short Term			6,485,759
HDFC Prudence Fund-Div Plan			573,692
HDFC Capital Builder Fund			621,354
HDFC MF	982278.768	12,080,538	
Prudential ICICI MF	157836.944	2,472,062	2,914,376
Prudential ICICI Power Div			577,457
Prudential ICICI Dynamic Plan			275,000
Templeton MF	97280.406	1,117,173	2,077,702
Templeton Income Builder			497
Market value of quoted Investments in Shares as on 31.03.2005 is Rs. 4,824,898/- (Previous Year Rs. 4,908,655/-)		22,970,523	22,958,003
 SCHEDULE - G			
INVENTORIES :			
(At cost and as taken valued and certified by the Management)			
Raw Materials		38,301,511	14,323,176
Coal		668,372	295,385
Furnace Oil		985,629	559,075
Semi-finished goods		4,875,000	6,500,000
Finished goods		28,910,670	2,740,306
		73,741,182	24,417,942

ASSOCIATED CERAMICS LIMITED

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	As at 31st March, 2005 (Rs.)	As at 31st March, 2004 (Rs.)
SCHEDULE - H		
SUNDRY DEBTORS :		
(Unsecured considered good)		
Debts outstanding for :		
More than six months	38,194,462	33,473,267
Less than six months	20,691,686	67,144,655
	<u>58,886,148</u>	<u>100,617,922</u>
SCHEDULE - I		
CASH & BANK BALANCES :		
Cash in hand (as per books and Certified by management)	1,262,315	1,066,975
Balance with Scheduled Banks :		
in Current Account	3,751,583	4,071,960
in Deposit Account	5,369,376	5,639,465
	<u>10,383,274</u>	<u>10,778,400</u>
SCHEDULE - J		
LOANS, ADVANCES & DEPOSITS :		
LOANS		
To a Company incorporated under the Companies Act, 1956 (Including interest Accrued)	1,084,136	1,101,524
ADVANCE & DEPOSITS		
Income Tax & TDS Pending Adjustment	2,562,538	1,017,129
Income Tax refundable	808,931	826,714
Balance with Central Excise Authorities	2,445,414	492,127
Anti Dumping Duty	298,200	298,200
Advance to Parties (Recoverable in Cash or kind or for valued to be received and/or pending adjustment)	2,904,787	3,299,044
To Staff	69,250	12,500
To Others	908,213	732,353
Security Deposits (Unsecured Considered good)	2,001,170	678,170
Earnest Money (Unsecured considered good)	153,325	153,325
	<u>13,235,964</u>	<u>8,611,086</u>
SCHEDULE - K		
CURRENT LIABILITIES & PROVISIONS :		
CURRENT LIABILITES :		
Sundry Creditors against goods	63,699,371	33,029,118
Advance against goods	21,503,216	14,490,668
Creditors for Expenses	2,076,090	1,400,484
Book Over Draft	2,227,806	4,947
	<u>89,506,483</u>	<u>48,925,217</u>
PROVISIONS :		
For Income Tax	1,147,375	857,190
	<u>1,147,375</u>	<u>857,190</u>

ASSOCIATED CERAMICS LIMITED

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	As at 31st March, 2005 Rs.	As at 31st March, 2004 Rs.
SCHEDULE - L		
SALES :		
Firebricks	183,216,122	182,077,450
Fireclay Mortar & Binder	6,430,106	1,615,186
	<u>189,646,228</u>	<u>183,692,636</u>
 SCHEDULE - M		
OTHER INCOME :		
Interest	1,164,804	427,780
Interest on Income Tax refund	—	16,103
Profit / (Loss) on Investments (Net)	78,425	(257,502)
Miscellaneous Receipts	39,240	21,183
Dividend	973,320	—
	<u>2,255,789</u>	<u>207,564</u>
 SCHEDULE - N		
INCREASE / (DECREASE) IN STOCK		
OPENING STOCK :		
Finished Goods	2,740,306	9,080,906
Stock-in-process	6,500,000	5,315,000
	<u>9,240,306</u>	<u>14,395,906</u>
CLOSING STOCK :		
Finished Goods	28,910,670	2,740,306
Stock-in-process	4,875,000	6,500,000
	<u>33,785,670</u>	<u>9,240,306</u>
	<u>24,545,364</u>	<u>(5,155,600)</u>
 SCHEDULE - O		
MANUFACTURING EXPENSES		
RAW MATERIALS CONSUMED :		
Opening Stock	14,323,176	13,228,559
Add : Purchases	173,294,596	126,937,972
	<u>187,617,772</u>	<u>140,166,531</u>
Less : Closing Stock	38,301,511	14,323,176
	<u>149,316,261</u>	<u>125,843,355</u>
Power & Fuel	30,817,500	23,210,355
Stores & Spares	3,972,142	2,972,172
Repairs	4,061,901	2,204,253
Transportation Charges	911,480	1,658,247
Pollution Control Charges	31,000	22,200
	<u>189,110,284</u>	<u>155,910,582</u>

ASSOCIATED CERAMICS LIMITED

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	As at 31st March, 2005 Rs.	As at 31st March, 2004 Rs.
SCHEDULE - P		
EMPLOYEES REMUNERATION & BENEFITS		
Salary, Wages, Bonus	8,091,114	5,526,960
Employees Provident Fund	885,853	580,286
Staff & Labour Welfare	358,951	301,369
	9,335,918	6,408,615
SCHEDULE - Q		
OTHER EXPENSES :		
Travelling	748,813	1,136,133
Conveyance	48,547	50,879
Vehicle Maintenance	441,809	296,826
Director's Remuneration	240,000	120,000
Printing & Stationery	131,280	109,143
Telephone Charges	106,718	152,648
Rent	264,000	240,000
Postage, Telegram & Courier	67,786	79,800
Electricity Charges	60,204	2,561
Bank Charges	470,225	701,840
Rates & Taxes	310,208	692,236
Audit Fee	26,250	26,250
Security Guard	239,960	100,953
Advertisement	100,078	147,264
Insurance	59,841	140,940
Legal Expenses	43,800	71,018
Sales Promotion	93,266	173,285
General Charges	459,884	396,433
Subscription & Donation	158,202	83,083
Office Expenses	164,836	14,048
Books & Periodicals	22,964	8,617
Liaison Charges	40,000	131,800
Miscellaneous Expenses Written off	415,000	415,000
Computer Accessories	—	—
Loss on Sale of Assets	160,723	—
Previous Year Adjustment	1,045	1,205,178
Fluctuation in Currency	248,276	—
Delegate Fees	103,624	—
	5,227,339	6,495,935
SCHEDULE - R		
DEPRECIATION :		
For the Year	4,198,566	2,467,779
Less : Transferred From Capital Reserve	302,759	344,369
	3,895,807	2,123,410

ASSOCIATED CERAMICS LIMITED

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE - S

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS :

A. SIGNIFICANT ACCOUNTING POLICIES

01. Basis of Accounts

The Financial Statements are prepared on Historical Cost Convention and on accrual basis except Retirement benefits like Gratuity which is accounted for on cash Basis.

02. Fixed Assets

Fixed Assets are stated at cost of acquisition, construction and improvement made which is inclusive of freight and taxes.

03. Depreciation

Depreciation on Fixed Assets has been provided on written down value at the rates prescribed in Schedule-XIV as amended by notification dated at 16th December, 1993 to the Companies Act, 1956.

04. Inventories

Finished goods are valued at average cost of production and Raw Materials are valued at average cost.

05. Excise Duty :

Excise Duty payable on goods kept in the factory are neither included in the expenditure nor it is taken into account for valuation of closing stock. It is accounted at the time of clearance of goods from the Factory. This practice is consistently followed by the Company and has no impact on Profit & Loss. Modvat Credits in respect of Raw Materials are taken into account at the time of Purchase of Raw Material (to the credit of the respective purchase and utilised for payment of excise duty on goods manufactured).

06. Deferred Tax :

Income Tax Expenses is accounted for in accordance with AS-22' Accounting for Taxes on Income' which include Current Tax and Deferred Taxes. Deferred Tax reflects the impact of current Year timing difference between Taxable Income and Accounting Income for the Year and reversal of timing difference of earlier Years. Deferred Tax Assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future Taxable income will be available against which such Deferred Tax Assets can be realised.

07. Accounting Policies not referred to otherwise are consistent with generally accepted accounting principles.

B. NOTES ON ACCOUNTS :

1. Certain Bank balances are subject to reconciliation as the company could not obtain the bank statement from the concerned banks before the date of audit.
2. Contingent Liabilities have not been provided in respect of guarantees given by Bank to the extent of Rs. 1,53,16,897/- (Previous Year Rs. 1,54,62,551/-).

ASSOCIATED CERAMICS LIMITED

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

3. Issued, Subscribed and Paid up Capital as at 31st March, 2005 is represented by 3005030 Equity Shares of Rs. 10/- each and 9750 Preference Shares of Rs. 1000/- each (Previous Year : 9750 Preference Shares). Out of above 3005030 Equity Shares 2044730 Equity Shares are fully paid up and 960300 Equity Shares are partly paid up. (Due Amount Rs. 7.50 per Share).
4. The Company is not providing interest on loan given to Refractory Specialities India Ltd. Since 1998.
5. As the market value of an investment is not available as on 31.03.2005 it has been taken as the value on which it was last traded in the Stock Exchange.
6. Cash Credit from Union Bank of Rs. 14017785/- (Previous Year Rs. 55,43,575/-) is secured by hypothecation of Raw Materials, Work-in-Process, Finished Goods and Book Debts of the Company.

	As at 31st March, 2005	As at 31st March, 2004
7. Directors Remuneration :		
Salaries	2,40,000	1,20,000
Perquisites	9,513	8,269
8. Information on Earning per Shares :		
a) Numerator used		
Profit after Taxation	2555643	743485
b) Denominator used		
Weighted average No. of Shares	2044730	2044730

9. Related Party Transactions

Information given in accordance with the requirements of Accounting Standard (AS-18) - Related party disclosures issued by the Institute of Chartered Accountants of India :

A) List of Related Parties

1) Associates

- a) Mugma Coke Oven (P) Ltd.
- b) IPITATA Commotrade Pvt. Ltd.
- c) Associated Global Finance Limited
- d) Tara Agarwal
- e) Bihari Agarwal (HUF)
- f) Vikash Ceramics (P) Ltd.
- g) Sharad Refractories (P) Ltd.

ASSOCIATED CERAMICS LIMITED

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

2) Names of the management personnel of the company

- | | |
|----------------------|-------------------|
| a) Managing Director | - Arun Agarwal |
| b) Director | - Sharad Agarwal |
| c) Director | - Binod Suhasaria |

B) Transactions with Associates

- | | |
|-----------------------------------|--|
| a) Mugma Coke Oven (P) Ltd. | : Interest received Rs. 2,630/-
Sold goods worth Rs. 3,78,017/- |
| b) IPITATA Commotrade Pvt. Ltd. | : Paid interest Rs. 7,540/- |
| c) Associated Global Finance Ltd. | : Paid interest Rs. 2,77,914/- |
| d) Tara Agarwal | : Paid Rent Rs. 1,44,000/- |
| e) Bihari Agarwal (HUF) | : Paid Rent Rs. 1,20,000/- |
| f) Vikash Ceramics (P) Ltd. | : Sold goods worth Rs. 83,043/-
Purchase goods worth Rs. 1,49,187/- |
| g) Sharad Refractories (P) Ltd. | : Purchase goods worth Rs. 1,51,406/- |

C) Transactions with key management personnel

Details of remuneration paid to management personnel is disclosed in Note - 7.

10. Deferred Taxes :

In terms of accounting standard on 'Accounting for taxes on Income' (AS-22), the components of deferred taxes and their major break-up are given below :

Deferred Tax liability as on 01.04.2004		Rs. 15,92,572/-
Add : Adjustment for difference in rate of tax		Rs. 31,851/-
Less : Depreciation difference for the year	Rs. 23,89,577	
43B Item expenses for the year	Rs. 1,55,338	
	Rs. 25,44,915	
Add : 43B Item expenses of last year (Reversed)	Rs. 1,03,110	
	Rs. 24,41,805	
Tax effect		Rs. 8,93,517/-
Deferred Tax Liability as on 31.03.2005		Rs. 25,17,940/-

ASSOCIATED CERAMICS LIMITED

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

11. As the company's business activity falls within a single business segment viz Fire Brick and Fire Clay Powder the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting" are not applicable.
12. Additional Information pursuant to the Provisions of Paragraph 3 & 4 of Part - II of Schedule - VI to the Companies Act, 1956.

a) Licensed Capacity & Installed Capacity :

	<u>Licensed (M.T.)</u>	<u>Installed (M.T.)</u>
Refractory Bricks & Powder	43000	43000
	(25000)	(25000)

(Licensed and Installed Capacities are as certified by the Management and being a Technical matter not verified by us.)

b) Quantitative Details : See Overleaf.

13. CIF Value of Imports : \$ 417411.48 (\$ 409011.66) = Rs. 1,87,04,494/- (Rs. 1,91,48,244/-)
14. Earning in Foreign Currency : NIL (P.Y. : \$ 51051.09, Euro 11550 Rs. Value - 3000738.60)
15. Previous year figures have been re-grouped and re-arranged wherever considered necessary.

In terms of our report of even date
For **A. PANDEY & ASSOCIATES**
Chartered Accountants

Place : Kolkata
Date : 25.07.2005

Sd/-
(A. PANDEY)
Proprietor

Sd/-

Arun Agarwal - Managing Director
Sharad Agarwal - Director
Binod Suhasaria - Director

Purchase, Consumption and Stock of Raw Material for the year ended 31.03.2005

Indegenous	PURCHASE		OPENING STOCK		CONSUMPTION		CLOSING STOCK	
	<u>Qty.</u>	<u>Value (Rs.)</u>	<u>Qty.</u>	<u>Value (Rs.)</u>	<u>Qty.</u>	<u>Value (Rs.)</u>	<u>Qty.</u>	<u>Value (Rs.)</u>
Diaspore, Sillimanite, Corrundum, Kyanite	8519	51890006	233	919660	7810	47138642	942	5671024
- do - Prev. Year	6339	24941931	71	384899	6177	24407170	233	919660
Fireclay & Others	17250	56446409	1034	1781015	15157	49917150	3127	8310274
- do - Prev. Year	9366	37623591	412	2305387	9065	38063414	1055	1865564
Bauxite	266	1498895	10	69768	248	1416540	28	152073
- do - Prev. Year	279	2732717	281	1157025	550	3819974	10	69768
Mulite & Alumina	1332	34041241	45	753854	1229	31053868	148	3741227
- do - Prev. Year	420	7012947	1	39560	376	6298653	45	753854
Magnesite & Chromite	3119	7188328	241	1620265	424	1147728	2936	7660865
- do - Prev. Year	4385	25950013	733	5952599	4556	30366896	220	1535716
Total (Current Year) :	30486	151064829	1563	5144562	24868	130673928	7181	25535463
Total of Prev Year :	20789	98261199	1498	9839470	20724	102956107	1563	5144562

Imported

Magnesite & Chromite	1324	22229767	502	9178613	884	18642333	942	12766047
- do - Prev. Year	1571	28676773	515	3389089	1584	22887249	502	9178613
Total (Curr. Year)	31810	173294596	2065	14323175	25752	149316261	8123	38301510
Total (Prev. Year)	22360	126937972	2013	13228559	22308	125843356	2065	14323175

Production Turnover and Stock

	PRODUCTION		OPENING STOCK		TURNOVER		CLOSING STOCK	
	<u>Qty.</u>	<u>Value (Rs.)</u>	<u>Qty.</u>	<u>Value (Rs.)</u>	<u>Qty.</u>	<u>Value (Rs.)</u>	<u>Qty.</u>	<u>Value (Rs.)</u>
Fire Bricks	17420		268	2740306	15069	183216122	2619	28806670
- do - Prev. Year	15801		1183	9080906	16716	182077450	268	2740306
Fire Clay Powder & Liquid Binder	1016		—	—	1003	6430106	13.00	104,000.00
- do - Prev. Year	280		—	—	280	1615186	—	—
Total (Current Year)	18436		268	2740306	16072	189646228	2632	28910670
Total of Prev. Year :	16081		1183	9080906	16996	183692636	268	2740306

ASSOCIATED CERAMICS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details	Registration No. State Code Balance Sheet Date	27835 21 31.03.2005
2. Capital raised during the year (Amount in Rs.000)	Public Issue Right Issue Bonus Issue Private Placement	NIL NIL NIL NIL
3. Position of Mobilisation & Deployment of Funds (Amount in Rs.000)	Total Liabilities Total Assets Sources of Funds Paid-up Capital Reserves and Surplus Secured Loan Unsecured Loans Deferred Tax Liabilities Application of Funds Net Fixed Assets Investment Net Current Assets Capital Work-in-Progress Misc. Expenditure	136432 136432 32598 69817 14018 17481 2518 47133 22971 65593 473 262
4. Performance of the Company (Amount in Rs.000)	Turnover & Other receipts Total Expenditure Profit / (Loss) before Tax Profit / (Loss) after Tax Earning Per Share (Rs.) Dividend Rate (%)	216447 212674 3773 2556 1.25 NIL
5. Generic Names of the Principal Products /Services of the Company (As per monetary terms)	Item Code No. (ITC Code) Product Description	NA Refractory Bricks & Powder

In terms of our report of even date
For **A. PANDEY & ASSOCIATES**

Chartered Accountants

Sd/-

(A. PANDEY)

Proprietor

Sd/-

Arun Agarwal - Managing Director

Sharad Agarwal - Director

Binod Suhasaria - Director

Place : Kolkata
Date : 25.07.2005

ASSOCIATED CERAMICS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2005

	YEAR ENDED 31.03.2005 (Rs. in Lakhs)	YEAR ENDED 31.03.2004 (Rs. in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	37.73	21.37
Adjustments for :		
Depreciation	38.96	21.23
Interest on Borrowings	4.47	11.74
Interest Income	(11.64)	(4.28)
Loss on Assets	1.60	—
Profit on Investment	(0.78)	2.57
Miscellaneous Expenditure W/Off	4.15	4.15
Dividend received	(9.73)	—
	<u>27.03</u>	<u>—</u>
	64.76	56.78
Operating Profit before working capital changes		
Adjustments for :		
Trade & Other receivables	371.07	(3.76)
Inventories	(493.23)	33.58
Trade payables & other liabilities	405.81	283.65
	<u>283.65</u>	<u>(7.56)</u>
Cash Utilised / from operations		267.54
Interest paid		(6.53)
Direct tax paid	(12.86)	(10.15)
	<u>(12.86)</u>	<u>(10.15)</u>
Net Cash From / Utilised in operating activities	335.55	62.36
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(349.64)	(18.86)
Purchase of Investment	—	(30.00)
Profit on Investment	0.78	(2.57)
Dividend Received	9.60	—
Interest Received	11.12	4.28
	<u>11.12</u>	<u>4.28</u>
Net Cash from / used in Investing Activities		(103.84)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Secured Loans	84.74	(80.71)
Unsecured Loans	(96.10)	55.44
	<u>(96.10)</u>	<u>55.44</u>
Net Cash from / utilised Financial Activities	(11.36)	(25.27)
Net Increase / (Decrease) in Cash / Cash Equivalents (A+B+C)	(3.95)	(10.06)
Cash & Cash Equivalents as at 31.03.2004 (Opening Balance)	107.78	117.84
Cash & Cash Equivalents as at 31.03.2005 (Closing Balance)	103.83	107.78
Note : Figures in brackets represents outflows		

Sd/-

Arun Agarwal - Managing Director

Sharad Agarwal - Director

Binod Suhasaria - Director

Place : Kolkata
Date : 25.07.2005