

STONE INDIA LIMITED
Unaudited Financial Results for The Three Months Ended 31st December, 2003

(Rs. in Lacs)

Sl No.	Particulars	3 months ended 31.12.2003	3 months ended 31.12.2002	9 months ended 31.12.2003	6 months ended 31.12.2002	Year ended 31.03.2003 (Audited)
		(1)	(2)	(3)	(4)	(5)
1.	Net Sales/Income from Operations	747.8	633.8	2,201.1	2,171.3	2,950.4
2.	Other Income	2.1	1.7	3.1	6.9	180.2
3.	Total Expenditure					
	a) (Increase)/decrease in stock in trade	4.2	(3.6)	(2.4)	44.7	10.8
	b) Consumption of Raw materials	513.8	349.5	1,302.1	1,176.6	1,627.3
	c) Staff Cost	144.1	141.8	426.8	419.7	649.5
	d) Other expenditure	141.2	127.8	426.0	374.9	601.9
4.	Interest (Net)	47.9	40.5	135.5	126.1	150.0
5.	Depreciation	19.5	19.2	56.2	56.7	73.3
6.	Profit/(Loss) before tax & extraordinary items	(120.8)	(39.7)	(140.0)	(20.5)	17.8
7.	Extraordinary Charges / (Incomes)	700.6	0.0	700.6	(52.3)	(30.3)
8.	Profit / (Loss) before tax	(821.4)	(39.7)	(840.6)	31.8	48.1
9.	Provision for tax					
	- current year	0.0	0.0	0.0	0.0	0.0
	- deferred tax	0.0	0.0	0.0	0.0	(88.1)
10.	Net Profit/(Loss)	(821.4)	(39.7)	(840.6)	31.8	136.2
11.	Paid-up Equity Share Capital (Face Value Rs. 10/- each)	753.6	753.6	753.6	753.6	753.6
12.	Reserves excluding Revaluation Reserve	-	-	-	-	1,568.5
13.	Basic EPS (In Re) for the period (Not annualized)	(10.91)	(0.53)	(11.16)	0.42	1.81
	Diluted EPS (In Re) for the period (Not annualized)	(10.91)	(0.53)	(11.16)	0.42	1.78
14.	Aggregate of Non-Promoters' Shareholding					
	- Number of Shares	44,68,224	44,68,224	44,68,224	44,68,224	44,68,224
	- Percentage of Shareholding	59.4%	59.4%	59.4%	59.4%	59.4%

Note:

- (1) The deferred tax liability, as per AS-22 issued by ICAI shall be provided in the Final Accounts at the end of the Financial Year.
- (2) The Company's operation predominantly comprise of only one segment viz. Railway related products and therefore disclosure as per AS-17 on segmental Reporting is not required.
- (3) Prospect of realization of Rs. 1050 lacs recoverable from an Associate Company already referred to BIFR being bleak. It was considered prudent to refer the matter to an Arbitrator instead of taking recourse of protracted and highly expensive legal proceedings in the Court. As per the Arbitration Award the claim has been settled at Rs. 350 lacs payable to the Company to bring the matter to an amicable solution. It has been considered expedient to accept a loss of Rs. 700 lacs as against loss of the total amount receivable of Rs. 1050 lacs. Such loss of Rs. 700 lacs has been appropriately dealt with in the accounts and shown under the head "Extraordinary Item" as appearing above.
- (4) The statutory auditors in their report on the Accounts for the year 2002 – 2003 has commented as under:-
 - (i) Diminution in the value of Investment in equity and preference share and recoverability of certain loans and advances aggregating to Rs. 370.32 lacs in a subsidiary company, the extent and impact of any losses thereon presently not being ascertainable.
 - (ii) Recoverability of certain loans and advances, interest and other Current Assets aggregating to Rs. 859.40 lacs, the extent and impact of any losses arising from possible non-recovery thereon presently not being ascertainable.
 - (iii) Rental demands on the Company amounting to Rs. 149.60 lacs pending decision of the Court exact status of liability is presently not ascertainable.

Management Clarification:-

- (a) Comment No. (i) :- Revenue recognition in respect of diminution in the value of long term investment made by the Company in its wholly owned Subsidiary Company has not been considered in these Accounts since these are long term strategic investment and diminution is considered to be of temporary in nature.
- (b) Comment No. (ii) :- Loans and Advances includes
 - (1) The loan of Rs. 40 lacs given to an associate company and interest thereon are not repayable by the said company during the currency of the institutional loans to that company in terms of restructuring scheme sanctioned by the financial institutions. Accordingly this loan is considered good and recoverable and no interest is being provided in these accounts.
 - (2) Rs. 827.46 lacs receivable from an associate company and an individual where repayments / payments have not been regular. In all the above cases, the Management is taking appropriate measures to pursue recovery. Pending outcome of steps being taken, these out standings are considered good and recoverable by the Management. Adjustments, if any required will be done as and when amounts are determined on the outcome of the steps taken
- (c) Comment No. (iii) :- In respect of demand for increase in rentals amounting to Rs. 323.45 lacs (net) on leasehold land from KPT, the matter is pending before the Calcutta High Court. In view of the Management the said demands are not tenable against the Company and therefore pending decision of the Court, no provision has been made in the accounts for the said increase during the period.

- (5) Figures for the corresponding periods have been regrouped / rearranged wherever necessary in order to make them comparable.
- (6) There were no undisputed investor's complaint at the beginning of the Quarter. During the quarter ended 31st December 2003, the company received no investor's complaint and therefore no complaint remains unresolved as on 31st December 2003.
- (7) The above results were reviewed by the Audit Committee on 30th January, 2004 and taken on record at the Meeting of the Board of Directors of the Company held on 30th January, 2004

Kolkata
30th January, 2004

For STONE INDIA LIMITED
A. Mondal
Managing Director