

Segment – Wise Revenue, Results & Capital Employed
(Rs. in Lacs)

Sl. No.	Particulars	Year ended 31.03.2004	Year ended 31.03.2003
	Segmental Reporting		
1.	Segment Revenue		
	Railways Product	3,033	2,950
	Rubber-Product	28	30
	Total	3,061	2,980
	Less: Inter Segment Revenue	15	15
	Net Sales / Income From Operation	3,046	2,965
2.	Segment Results		
	Profit (+) / Loss (-) before tax and interest from Segment		
	Railways Product	(157)	211
	Rubber Product	(10)	(23)
	Total	(167)	188
	Less : Interest	185	154
	Other unallocable expenditure net off unallocable income	558	-
	Total Profit Before Tax	(910)	34
3.	Capital Employed: (Segment Assets – Segment Liabilities)		
	a) Railways Product	1,940	3,315
	b) Rubber Product	217	265
	Total	2,157	3,580

Note:

(1) Exceptional charges / (income) of Rs. 558.28 lacs given in Col. No. 4 above include the following:

- (a) Rs 700.60 lacs written off in full and final settlement of the company's claims of Rs 1,050 lacs towards an associate company, registered with BIFR for rehabilitation, in pursuance of an arbitration award received during the year.
- (b) An amount of Rs 40.00 lacs considered doubtful of recovery from an associate company, which has been referred to BIFR, fully written off.
- (c) An amount of Rs 108 lacs received in an earlier year as a deposit in terms of an agreement of sale of the railway business of the company written back in view of a legal opinion that any claim against the company on this account is barred by limitation.
- (d) In view of improvement in working results and other financial parameters provision for diminution in value made in the earlier years in respect of investment in equity shares of NRC Ltd has been reviewed during the year and such provision being no longer required to the extent of Rs. 74.33 lacs has been written back in this account.

(2) The statutory Auditors, in their report on the Accounts for the year 2003-04, have commented on the following:

- (i) Diminution in the value of investments made by the Company not provided for in the books of account and the possible non-recoverability of loans and advances aggregating to Rs. 421.53 lacs.
- (ii) Effect of possible non-recovery of loans and advances and other current assets given to certain companies and an individual amounting to Rs. 1196.84 lacs.
- (iii) Non provision of rental demand made on the Company by Kolkata Port Trust amounting Rs. 275.39 lacs.

Management Clarification:

- (i) Diminution in the value of investments has not been considered because these are strategic long term investments in the Subsidiary Company and associate Company. The Management considers the present diminution to be of a temporary nature and, therefore, not necessary to provide in the Books of Accounts
 - (ii) The Management considers all the loans and advances given referred to above to be recoverable. Appropriate steps are being taken to initiate recoveries.
 - (iii) The matter of rental demands made by the Kolkata Port trust on the Company is still sub judice as, after having lost in the High Court, the Company has filed a Special Leave Petition before the Supreme Court of India. In the view of the Management, these demands are not tenable and, hence, pending final decision by the Supreme Court, no provision has been made in the accounts for these demands.
- (3) The above consolidated figures comprise the figures pertaining to the Company and its wholly owned subsidiary.
- (4) The segment report is prepared in accordance with Accounting standard – 17 “segment Reporting” issued by the institute of Chartered Accountants of India.
- (5) Figures for the corresponding periods have been regrouped / rearranged wherever necessary to make them comparable.
- (6) The above results have been taken on record by the Board of Directors at its Meeting held on 29th June, 2004.

Kolkata
29th June, 2004

For STONE INDIA LIMITED
A. Mondal
Managing Director