

SOLID

Solid Stone

Company Limited

The General Manager,
The Mumbai Stock Exchange,
Dalal Street, Fort,
Mumbai – 400023.

August 31, 2017

Dear Sir,

Re : **Submission of Soft Copy of Annual Report for 2016-17**

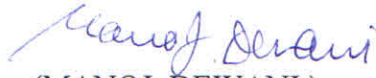
We are enclosing herewith soft copy of Annual Report of our company for the year ended 31st March, 2017 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the above on your records.

Thanking You,

Yours Faithfully,

For SOLID STONE COMPANY LTD.


(MANOJ DEWANI)
Chief Financial Officer



REGD. OFF : 1501, Maker Chambers V, Nariman Point, Mumbai - 400 021. (India)
TEL. : (9122) 6611 5800 (100 Lines), ~~2282 6977, 2282 6978~~ FAX : 2282 6439
E-mail : solid2@mtnl.net.in / solidgranites@gmail.com / solidstone@solid-stone.com
www.solid-stone.com
CIN : L26960MH1990PLC056449

**A Commitment to quality
that leaves no stone unturned**



SOLID STONE COMPANY LIMITED

**ANNUAL REPORT
2016-2017**

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TWENTY SEVENTH ANNUAL REPORT 2016-2017

BOARD OF DIRECTORS

- Mr. Milan B. Khakhar - Chairman and Managing Director
Mr. Prakash B. Khakhar - Joint Managing Director
Mrs. Vasumati B. Khakhar - Director
Ms. A. Y. Parekh - Director
Mr. K. Gopi Nair - Director
Mr. Gaurav S.Davda - Director

REGISTERED OFFICE

SOLID STONE COMPANY LIMITED
1501, Maker Chambers - V, Nariman Point,
Mumbai - 400 021.
CIN: L26960MH1990PLC056449
Email: sglinvserv@gmail.com
Tel. +91 22 66115800 Fax. +91 22 2826439
Website : www.solid-stone.com

CHIEF FINANCIAL OFFICER

Mr. Manoj Dewani

COMPANY SECRETARY

Mr. Hardik Valia

AUDITORS

M/s. Ashar & Co.
Chartered Accountants
Mumbai

BANKERS

State Bank of India

WORKS

Plot No. 33/34, S. No. 831/15 & 25,
Village Mahim, Chintupada,
Taluka Palghar, Dist. Thane.

REGISTRAR & TRANSFER AGENT

Sharex (India) Pvt.Ltd.
Unit No.1, Luthra Industrial Premises,
Safed Pool, Andheri-Kurla Road,
Andheri (East), Mumbai-400072.
Tel. 022 28515606/28515644
Email : investor@sharexindia.com

TWENTY SEVENTH ANNUAL GENERAL MEETING

At
Half Centrum, Centre 1,
1st Floor, World Trade Centre,
Cuffe Parade, Mumbai-400005.

on Friday, 22nd September, 2017 at 9:15 A.M.

SOLID STONE COMPANY LIMITED

(CIN : L26960MH1990PLC056449)

REGISTERED OFFICE :

1501, Maker Chambers-V, Nariman Point, Mumbai – 400 021.

NOTICE OF MEETING

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Shareholders of SOLID STONE COMPANY LIMITED will be held at Half Centrum, Centre 1, World Trade Centre, 1st Floor, Cuffe Parade, Mumbai - 400005 on Friday, 22nd September, 2017 at 9.15 am to transact, as may be permissible the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt :
 - a. the Audited Financial Statements of the Company for financial year ended March 31, 2017, together with the Reports of Board of Directors and the Auditors thereon.
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mrs. V. B. Khakhar (holding DIN 00394207) who retires by rotation and being eligible offers herself for re-appointment.
3. To ratify the appointment of M/s. Ashar & Co., Chartered Accountants (Registration No. 129159W) as Statutory Auditors and if thought fit to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 and all other applicable provisions, if any, of the Companies Act, 2013 the Company hereby ratifies the appointment of M/s. Ashar & Co., Chartered Accountants (Registration No. 129159W) as Statutory Auditors of the Company, to hold office till the conclusion of the ensuing Annual General Meeting to be held in the calendar year 2018 at a remuneration to be decided by the Audit Committee of Directors of the Company”.

By Order of the Board of Directors

Milan B. Khakhar
Chairman & Managing Director
(DIN : 00394065)

Place : Mumbai
Date : 29th May, 2017

NOTES :

- A) A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE FOR HIMSELF AND THE PROXY NEED NOT BE A MEMBER. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.
- B) The instrument of proxy in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.
- C) The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 2017 to 22nd September, 2017 (both days inclusive)
- D) Members intending to require information about accounts to be explained in the meeting are requested to inform the Company in writing at least seven days in advance of the Meeting.
- E) Members are requested to :
 - i) Bring their copies of the Annual Report alongwith duly filled in attendance slip to the Meeting.
 - ii) Notify immediately any change in their address, at the *Registered office* of the Company, quoting their Folio numbers.
 - iii) Send all their documents and communications pertaining to shares to Sharex (India) Pvt. Ltd. (Share Transfer Agents of the company) at Unit no.1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai-400072, Tel.No. 022 28515606/28515644, Email: investor@sharexindia.com
- F) The Company's shares are available for dematerialisation. Members opting for the same may contact their Depository Participants.

- G) Members are requested to notify change in address, if any, immediately to Sharex (India) Pvt. Ltd. quoting their folio numbers.
- (H) In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
- (I) As part of the Company's Green Initiative, the Company may propose to send documents like Notice convening the general meetings, Financial Statements, Directors' Report, etc. to the e-mail address provided by the members.

We, therefore appeal to the members to be a part of the said 'Green Initiative' and request the members to register their name in getting the said documents in electronic mode by sending an email giving their Registered Folio Number and / or DP ID / Client ID to the dedicated email address at investor@sharexindia.com or login at the R&TA's website www.shareproservices.com and register their request.

- (J) The route map showing directions to reach the venue of the 27th Annual General Meeting is given on the reverse of the Attendance Slip.

Voting through electronic means

- (K) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 27th Annual General Meeting of the Company. E-voting is optional and the Company is pleased to provide E-voting facility through Central Depository Services (India) Limited (CDSL). The Company has appointed CA Kamal Patel as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

The instructions for members for voting electronically are as under:-

- (i) **The voting period begins on 19th September, 2017 (9:00 AM) and ends on 21st September, 2017 (5:00 PM).** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 13th September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. ● In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> ● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

SOLID STONE COMPANY LIMITED

(CIN : L26960MH1990PLC056449)

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant SOLID STONE COMPANY LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com, and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

- (L) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (M) The Results declared alongwith the Scrutinizer's Report shall be placed on the website of the company and website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited. The result shall also be placed on Notice Board of the Registered office of the company.
- (N) MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.

By Order of the Board of Directors

Milan B. Khakhar
Chairman & Managing Director
(DIN : 00394065)

Place : Mumbai
Date : 29th May, 2017

DIRECTOR'S REPORT

The Members,

Your Directors have pleasure in presenting their Twenty-seventh Annual Report of the Company for the year ended on 31st March, 2017.

FINANCIAL RESULTS :

	Year Ended 31 st March, 2017 Rs..in '000s	Year Ended 31 st March, 2016 Rs..in '000s
Gross Income from Operations	7,39,758	6,00,382
Profit before Depreciation and Tax	17,831	16,353
Profit after Tax	7,256	5,935
Balance brought forward from Previous year	78,928	72,993
Amount available for Appropriation	86,183	78,928
Proposed Dividend	NIL	NIL
Tax on Dividend	NIL	NIL
Surplus carried to Balance Sheet	86,183	78,928

DIVIDEND :

Your Directors, in order to conserve resources, have not recommend any Dividend for the year ended 31st March, 2017 on the Equity Share Capital.(Previous Year : NIL).

OPERATIONS :

During the year under review the Company posted a higher gross income as well as higher net profits on account of improved margins due to overall improvement in operations and higher sales, both in terms of quantity and value.

The Company continues to focus on the domestic market which has a growth potential.

SUBSIDIARIES AND ASSOCIATE :

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiaries' and Associate (in Form AOC-1) is forming part of the Consolidated Financial Statements.

CONSOLIDATED FINANCIAL STATEMENTS :

In accordance with the Accounting Standard (AS 21) on consolidated Financial Statements read with Accounting Standard (AS 23) on Accounting for Investment in Subsidiaries, the Audited Consolidated Financial Statements are provided in the Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure A".

RELATED PARTY TRANSACTIONS

Transactions with related parties during the year under review were in the ordinary course of business and on an arm's length basis. During the year the Company had not entered into any contract or arrangement with a related party which would be considered as material in accordance with the policy of the Company on materiality of related party transactions.

The related party transactions are disclosed under Note No. 27E of the Notes to Financial Statements for the financial year 2016-17.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note No.12 of the Notes to the Financial Statements.

INSURANCE :

All the assets of the Company are adequately insured.

ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in form MGT-9 in "Annexure B" of this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL :

Mrs.V.B.Khakhhar, Director of the Company shall retire by rotation at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment.

Key Managerial Personnel

Mr.Milan Khakhar, Chairman and Managing Director, Mr.Prakash Khakhar, Joint Managing Director, Mr.Manoj Dewani, Chief Financial Officer and Mr.Hardik Valia, Company Secretary of the Company are Key Managerial Personnel of the Company.

BOARD EVALUATION :

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance and that of its statutory committees viz. Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee and that of the individual directors. The results of evaluation are satisfactory and adequate and meet the requirements of the company.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION :

(including criteria for determining qualification, positive attributes, independence of a Director, policy relating to remuneration for Directors, Key Managerial Personnel and other employees)

Policy on Directors' Appointment

Policy on Directors' appointment is to follow the criteria as laid down under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Emphasis is given to persons from diverse fields or professions.

Policy on Remuneration

Guiding Policy on remuneration of Directors, Key Managerial Personnel and employees of the Company is that -

- Remuneration to workmen is as per the prevailing structure, qualification, experience and skills.
- Remuneration to Key Managerial Personnel, Senior Executives, Managers, Staff and Workmen (non Unionised) is industry driven in which it is operating taking into account the performance leverage and such factors so as to attract and retain quality talent.
- For Directors, it is based on the shareholders resolutions, provisions of the Companies Act, 2013 and Rules framed therein, circulars and guidelines issued by Central Government and other authorities from time to time.

DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

Pursuant to Section 149(7) of the Companies Act, 2013, Independent Directors of the Company have made declarations confirming the compliance of the conditions of the independence stipulated in Section 149(6) of the Act.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- b) 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 at the end of the financial year and of the profit of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the Annual Accounts on a going concern basis.
- e) 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.
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2016-17.

DETAILS OF COMMITTEES OF DIRECTORS

Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors, Stakeholders Relationship/ Grievance Committee of Directors, number of meetings held of each Committee of Directors during the financial year 2016-17 and meetings attended by each member of the Committee as required under the Companies Act, 2013, are provided in Corporate Governance Report and forming part of the report. The recommendations of the Audit Committee, as and when made to the Board, have been accepted by it.

CORPORATE GOVERNANCE :

Your Company reaffirms its commitment to Corporate Governance and is fully compliant with the conditions of Corporate Governance stipulated in Clause 'C' of Schedule V on Annual Report pursuant to Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A separate section of disclosure on Corporate Governance and a Certificate from the Statutory Auditors dated 29th May, 2017 in this regard, are annexed hereto and form part of the Report.

ANALYSIS OF REMUNERATION

The Information as per Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report as "Annexure E".

AUDITORS AND AUDITOR'S REPORT :**Statutory Auditors**

The members in the 25th Annual General Meeting have appointed M/s. Ashar & Co., Chartered Accountants (Registration No. 129159W) as Statutory Auditors of the Company to hold office until the conclusion of the Annual General Meeting to be held in the calendar year 2019. In accordance with the first proviso of Section 139(1) of the Companies Act, 2013 the appointment of the Auditors is to be ratified by members at every Annual General Meeting. The Auditors have confirmed their eligibility to the effect that the ratification of their appointment, if made, would be within the prescribed limits of the Companies Act, 2013 and that they are not disqualified for such appointment. There are no qualifications or adverse remarks in the auditors' report.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Jinang Shah & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith as "Annexure F".

INTERNAL FINANCIAL CONTROLS

The Company is having in place internal financial controls system. The internal financial controls with reference to financial statements were adequate and operating effectively.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil / whistle blower mechanism which provides a channel to any employer / director to report to the Management concerns about unethical behavior, actual or suspected fraud or violation of code of conduct or policy. The mechanism provides for adequate safeguards against victimisation of the whistle blower and also provides for direct access to the Chairman & Managing Director /Chairperson of the Audit Committee in exceptional cases.

AUDITORS QUALIFICATIONS

The remarks, if any, either by the Statutory Auditors or by the Practising Company Secretary in their respective reports are self explanatory. There are no qualifications or adverse remarks in the aforesaid reports.

RISK MANAGEMENT POLICY

The Company has formulated a Risk Assessment & Management Policy. The details of the Risk Management are covered in the Corporate Governance Report.

MEETINGS OF THE BOARD

Ten meetings of the Board of Directors were held during the year. For further details please refer to the report on corporate governance in this annual report.

PARTICULARS OF EMPLOYEES

Information pursuant to the provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees is not provided as there are no employees drawing remuneration above the prescribed limits.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of annual return is annexed herewith and forming part of the report. (Annexure-B).

GENERAL

No disclosure or reporting is required of the following items as there were no transactions on these items during the year under review.

- (i) Issue of equity shares with differential rights as to dividend, voting or otherwise
- (ii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- (iii) No significant or material order were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013) during the year under review.

APPRECIATION :

Your Directors wish to place on record their sincere appreciation for their continued support and co-operation received from the Banks, Customers, Suppliers, Employees and Members of the Company.

By Order of the Board of Directors

Milan B. Khakhar
Chairman & Managing Director
(DIN : 00394065)

Place : Mumbai
Date : 29th May, 2017

ANNEXURE “A” to Directors’ Report :**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO****A. CONSERVATION OF ENERGY**

The Company does not belong to the category of power intensive industry and hence consumption of power is not significant. However, the management gives due importance to conservation of energy wherever feasible, and also reviews from time to time, the measures taken / to be taken for reduction of consumption of energy.

	Current Year	Previous Year
Power Consumption (Electricity)		
Units	47,231	50,253
Total Cost	Rs. 5,28,240	Rs. 4,30,256
Rate per unit	Rs.11.18	Rs. 8.56

B. TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT**i. Research & Development (R & D)**

The Company undertakes from time to time, studies for process improvement and plant design development, to improve quality and performance of its products, to substitute imported material and components and to economise the production costs. Based on these studies, appropriate actions are taken to achieve these goals. In absence of a separate research & development department, it is difficult to quantify the amount spent on research & development.

ii. Technology Absorption, Adaptation and Innovation

Efforts are made to absorb the advances in technology with suitable modifications to cater to local needs. The Company keeps itself updated with the latest technological innovations by way of constant communication, personal discussions etc.

C. FOREIGN EXCHANGE USED & EARNED

Foreign exchange used	: Rs. 354.06 Lacs
Foreign exchange earned	: Rs. 28.42 Lacs

ANNEXURE “B” to Directors Report**EXTRACT OF ANNUAL RETURN**

As on financial year ended 31.03.2017

Pursuant to Section 92(3) of the Companies act, 2013 read with
[The Companies (Management and Administration) Rules, 2014]
FORM NO. MGT-9

A REGISTRATION AND OTHER DETAILS:

CIN:-	L26960MH1990PLC056449
Registration Date:	8th May,1990
Name of the Company:	Solid Stone Company Ltd.
Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
Address of the Registered office and contact details:	1501, Maker Chambers V, Nariman Point, Mumbai-400021 Tel.No. 022-66115800 / 22826977 Fax. : 022-22826439
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex (India) Pvt.LTD., Unit No.1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai-400072. Tel.No. 022-28515606 / 28515644 Email: investor@sharexindia.com

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service% to total turnover of the company	% to total turnover of the company
a.	Processing & Sale of Natural & Semi precious stones	23960	1.18%
b.	Trading in Natural Stones & related products	47190	98.82%

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held
a	GRANITEXX UK LIMITED	Incorporated in U.K.	Subsidiary	100%
b	STONE SOURCE GB LTD.	Incorporated in U.K.	Subsidiary	51% held by Granitexx UK Ltd.
c	GLOBAL INSTILE SOLID INDUSTRIES LIMITED	U14100MH1997PLC106541	Associate	29.89%

D. SHARE HOLDING PATTERN

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2016				No. of Shares held at the end of the year 31/03/2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

A. PROMOTER'S

(1) INDIAN

(a). Individual	3717900	500	3718400	69.115	3727400	500	3727900	69.291	0.176
(b). Central Govt.	0	0	0	0	0	0	0	0	0
(c). State Govt(s).	0	0	0	0	0	0	0	0	0
(d). Bodies Corpp.	0	0	0	0	0	0	0	0	0
(e). FIINS / BANKS.	0	0	0	0	0	0	0	0	0
(f). Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	3717900	500	3718400	69.115	3727400	500	3727900	69.291	0.176

(2) FOREIGN

(a). Individual NRI / For Ind	0	0	0	0	0	0	0	0	0
(b). Other Individual	0	0	0	0	0	0	0	0	0
(c). Bodies Corporates	0	0	0	0	0	0	0	0	0
(d). Banks / FII	0	0	0	0	0	0	0	0	0
(e). Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f). Any Other Specify	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	3717900	500	3718400	69.115	3727400	500	3727900	69.291	0.176

(B)(1). PUBLIC SHAREHOLDING

(a). Mutual Funds	0	0	0	0	0	0	0	0	0
(b). Banks / FI	0	0	0	0	0	0	0	0	0
(c). Central Govt.	0	0	0	0	0	0	0	0	0
(d). State Govt.	0	0	0	0	0	0	0	0	0
(e). Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f). Insurance Companies	0	0	0	0	0	0	0	0	0
(g). FIs	0	0	0	0	0	0	0	0	0
(h). Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i). Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0

2. Non-Institutions**(a). BODIES CORP.**

(i). Indian	516351	34200	550551	10.233	490679	34200	524879	9.756	-0.477
(ii). Overseas	0	0	0	0	0	0	0	0	0

(b). Individuals

(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	240733	88320	329053	6.116	200633	88220	288853	5.369	-0.747
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	750978	30200	781178	14.52	720579	30200	750779	13.955	-0.565

(c). Other (specify)

Non Resident Indians	286	0	286	0.005	1389	0	1389	0.026	0.021
Overseas Corporate Bodies		0				0			0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	532	0	532	0.01	86200	0	86200	1.602	1.592
Trusts	0	0	0	0	0	0	0	0	0
Foreign Boodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	1508880	152720	1661600	30.884	1499480	152620	1652100	30.708	-0.176
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1508880	152720	1661600	30.884	1499480	152620	1652100	30.708	-0.176
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.000	0	0	0	0.000	0
Grand Total (A+B+C)	5226780	153220	5380000	100.00	5226880	153120	5380000	100.00	0

(ii) Shareholding of Promoters

SR No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2016			Share holding at the end of the Year 31/03/2017			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	PRAKASH B KHAKHAR	1378895	25.63	0	1378895	25.63	0	0
2	MILAN B KHAKHAR	808015	15.019	0	808415	15.026	0	0.007
3	JEENOO M KHAKHAR	699300	12.998	0	699300	12.998	0	0
4	VASUMATI BHAGWANDAS KHAKHAR	682190	12.68	0	682190	12.68	0	0
5	KANIKA MILAN KHAKHAR	40700	0.757	0	40700	0.757	0	0
6	MAHI P KHAKHAR	31700	0.589	0	32300	0.6	0	0.011
7	SHRADDHA PRAKASH KHAKHAR	30500	0.567	0	30500	0.567	0	0
8	YASH P KHAKHAR	27800	0.517	0	27800	0.517	0	0
9	ISHA MILAN KHAKHAR	14300	0.266	0	27300	0.507	0	0.241
10	CHARU SHEKHAR DAVDA	5000	0.093	0	500	0.009	0	-0.084
		3718400	69.115	0	3727900	69.291	0	0.176

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SR No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2016			Share holding at the end of the Year 31/03/2017			% of total Shares of the company
		No. of Shares at the beginning (01-04-2016) / end of the year (31-03-2017)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	
1	MILAN B KHAKHAR	808015	15.019	31-03-2016				
				16-12-2016	400	Buy	808415	15.026
	-Closing Balance			31-03-2017			808415	15.026
2	MAHI P KHAKHAR	31700	0.589	31-03-2016				
				13-01-2017	600	Buy	32300	0.6
	-Closing Balance			31-03-2017			32300	0.6
3	ISHA MILAN KHAKHAR	14300	0.266	31-03-2016				
				22-04-2016	5500	Buy	19800	0.368
				13-05-2016	7000	Buy	26800	0.498
				13-01-2017	500	Buy	27300	0.507
	-Closing Balance			31-03-2017			27300	0.507
4	CHARU SHEKHAR DAVDA	5000	0.093	31-03-2016				
				08-04-2016	-4500	Sold	500	0.009
	-Closing Balance			31-03-2017			500	0.009

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(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

SR No.	Name	No. of Shares at the beginning (01-04-2016) / end of the year (31-03-2017)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	Falguni S Nayar	184000	3.42	31-03-2016				
	-Closing Balance			31-03-2017		No Change	184000	3.42
2	PRIMESEC INVESTMENTS LIMITED	130792	2.431	31-03-2016				
	-Closing Balance			31-03-2017		No Change	130792	2.431
3	RELIGARE FINVEST LTD	121657	2.261	31-03-2016				
	-Closing Balance			31-03-2017		No Change	121657	2.261
4	JUDITH INVESTMENTS PRIVATE LIMITED	75000	1.394	31-03-2016				
	-Closing Balance			31-03-2017		No Change	75000	1.394
5	GAURAV SHEKHAR DAVDA	57856	1.075	31-03-2016				
				13-01-2017	-1650	Sold	56206	1.045
	-Closing Balance			31-03-2017			56206	1.045
6	GLOBALWORTH SECURITIES LTD.	19504	0.363	10-03-2017				
				17-03-2017	12000	Buy	31504	0.586
				24-03-2017	18496	Buy	50000	0.929
	-Closing Balance			31-03-2017			50000	0.929
7	G K K CAPITAL MARKETS PVT LTD	49750	0.925	30-06-2016				
	-Closing Balance			31-03-2017		No Change	49750	0.925
8	ASHNI YOGENDRA PAREKH	45951	0.854	31-03-2016				
	-Closing Balance			31-03-2017		No Change	45951	0.854
9	SANTOSH SARDA	43500	0.809	31-03-2016				
	-Closing Balance			31-03-2017		No Change	43500	0.809
10	PRIME SECURITIES LIMITED	41939	0.78	31-03-2016				
	-Closing Balance			31-03-2017		No Change	41939	0.78
11	DEEPAK SARDA	36500	0.678	31-03-2016				
	-Closing Balance			31-03-2017		No Change	36500	0.678
12	NIRMAL BANG FINANCIAL SERVICES PRIVATE LIMITED	49750	0.925	31-03-2016				
	-Closing Balance			30-12-2016	-49750	Sold	0	0

(v) Shareholding of Directors and Key Managerial Personnel:

SR No.	Name	Shareholding at the beginning of the year			Cumulative Shareholding at the end of the year			% of total Shares of the company
		No. of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of Shares	
1	ASHNI YOGENDRA PAREKH	45951	0.854	31-03-2016				
	-Closing Balance			31-03-2017		No Change	45951	0.854
2	GAURAV SHEKHAR DAVDA	57856	1.075	31-03-2016				
				13-01-2017	-1650	Sold		
	-Closing Balance			31-03-2017			56206	1.045
3	K GOPI NAIR	840	0.016	31-03-2016				
	-Closing Balance			31-03-2017		No Change	840	0.016
4	MANOJ DEWANI (CFO)	21100	0.392	31-03-2016				
				15-03-2017	-3500			
				17-03-2017	-200			
				22-03-2017	-1497			
				29-03-2017	-400			
	-Closing Balance			31-03-2017			15503	0.288

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount : Rupees in Thousands)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	100069.99	37743.37	-	137813.36
ii) Interest due but not paid	-	-	-	0.00
iii) Interest accrued but not due	-	-	-	0.00
Total (i+ii+iii)	0.00	0.00	0.00	137813.36
Change in Indebtedness during the financial year				
• Addition	33565.72	32537.00	-	66102.72
• Reduction	-2678.80	-38516.89	-	-41195.69
Net Change	30886.92	-5979.89	0.00	24907.03
Indebtedness at the end of the financial year				
i) Principal Amount	130956.90	31763.48	-	162720.38
ii) Interest due but not paid	-	-	-	0.00
iii) Interest accrued but not due	-	-	-	0.00
Total (i+ii+iii)	130956.90	31763.48	0.00	162720.38

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr.Milan Khakhar (Chairman & Managing Director)	Mr.Prakash Khakhar (Joint Managing Director)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,565,800	3,565,800	7,131,600
	(b) Value of the perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify...			
5	Others, please specify (Allowances)	64,200	64,200	128,400
	Total (A)	3,630,000	3,630,000	7,260,000
	Ceiling as per the Act			

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Ms.A.Y. Parekh	Mr.Gaurav Davda	Mr.K.Gopi Nair	
1. Independent Directors					
	• Fee for attending board / committee meetings	22,000	18,000	18,000	58,000
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	22,000	18,000	18,000	58,000
2. Other Non-Executive Directors					
	• Fee for attending board / committee meetings	15,000			15,000
	• Commission	-			-
	• Others, please specify	-			-
	Total (2)	15,000			15,000
	Total (B)=(1+2)				73,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr.Manoj Dewani (CFO)	Mr.Hardik Valia (Company Secretary)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1645800	198000	1843800
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
5	Others, please specify (Allowances)	34200	-	-
	Total	1680000	198000	1843800

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Authority[RD / NCLT/ COURT]
A. COMPANY					
Penalty		NIL			
Punishment		NIL			
Compounding	Section 205(c) of the Companies Act, 1956	Delay in Filing eform 5INV	Rs.75,000/-	NCLT	NCLT
B. DIRECTORS					
Penalty		NIL			
Punishment		NIL			
Compounding	Section 205(c) of the Companies Act, 1956	Delay in Filing eform 5INV	Rs.3,75000/-	NCLT	NCLT
C. OTHER OFFICERS IN DEFAULT					
COMPANY SECRETARY					
Penalty		NIL			
Punishment		NIL			
Compounding	Section 205(c) of the Companies Act, 1956	Delay in Filing eform 5INV	Rs.50,000/-	NCLT	NCLT

ANNEXURE “C” to Directors’ Report :**MANAGEMENT DISCUSSION AND ANALYSIS FOR 2016-17****Industry Structure and development:**

The Global and Domestic Economy have been witnessing sectoral turnaround during the year, yet economic challenges prevail, which have impact on construction and building materials industries.

Opportunities and threats

The World is indeed becoming a Global city. Your company believes that niche opportunities exist in the Global arena which, if exploited, would yield positive results. The company has accordingly built a business model to exploit these opportunities and is also harnessing these opportunities in the domestic market.

Your company deals in very special types of Granite/Marble having unique colors for which the overseas and domestic market, both are very eager. Presently, it is one of the few companies which offers all natural stone products under one roof to the buyers. The demand for top quality natural stone products is also growing in the domestic market and the company has setup Retail outlets within the country so as to cater to the local demand for quality products.

However, the number of natural stone exporters from India as well as local dealers dealing in imported and other natural stones catering to domestic market are increasing, thus reducing the margins and making the business competitive. The availability of manufactured stone products as an alternative to natural stones is also likely to affect the performance of the company.

Further Outlook

National initiatives such as ‘Make in India’, ‘Skill India’, ‘Startup India’, ‘Smart Cities’, ‘Housing for All’, ‘Affordable Low Cost Housing’; broadening financial inclusion, streamlining of taxation structure with the passage of the GST, strengthening of infrastructure, etc. would lead to improvement in the economic growth of the country in the coming future.

The company foresees reasonable growth of its product line and varieties of Natural stones, designer mosaics as well as semi precious stone products and concepts. The economic outlook for the year is still uncertain but viewed with cautious optimism. Our plans for the growth of the business and profitability are based on an average economic outlook, in the present business scenario.

Performance for 2016-2017

During the financial year 2016-2017, the company achieved a sales turnover of Rs.7391.24 lacs as against a Sales Turnover of Rs.5993.83 lacs in the previous year. Net profit after tax stood at Rs.72.56 lacs as compared to Rs.59.35 lacs in the previous year. The Company posted higher gross income and minor improvement in margins for the financial year ended 31st March 2017.

Capital Structure

There was no change in the capital structure of the company. The issued and paid up share capital as at 31st March, 2017, comprises of 53,80,000 equity shares of Rs.10 each.

Internal Control Systems

The internal controls system for safeguarding and protecting assets against loss from unauthorised use or disposition are in place.

Regular internal audits, review by management and documented policies, guidelines and procedures supplements the internal controls which are designed to ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets

Cautionary Statement

Statements in the Management Discussions and Analysis describing the Company’s objectives, projections, estimates, expectation may be “forward-looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Several factors make a significant difference to the company’s operations, including climatic conditions, economic scenario affecting demand and supply, Govt. regulations, taxation, natural calamity and other such factors which the company does not have any direct control.

ANNEXURE “D” to the Directors’ Report :**REPORT ON CORPORATE GOVERNANCE****A. Philosophy:**

The Company subscribes fully to the principle and spirit of sound corporate governance practices in all its activities to ensure the ultimate goal of making the company a value driven organization. The Company has taken a series of steps to implement all the measures of good corporate governance practice, laying emphasis on transparency, integrity, accountability and value creation in conducting its Corporate Affairs and enhance value for all its stakeholders.

B. Board of Directors:**Composition, Meetings and Attendance:**

The Board of Directors comprises of six Directors, four of them being Non Executive Directors. Fifty percent of the total strength of the Board comprises of Independent Directors.

During the financial year ended 31st March 2017, the Board met ten times on 22nd April, 2016 30th May, 2016, 21st June, 2016, 12th August, 2016, 13th September, 2016, 14th November, 2016, 18th November, 2016, 27th December, 2016, 13th February, 2017 and 21st March, 2017.

The notice for the Board Meeting and the detailed agenda papers are circulated to all the Directors well in advance to enable them to attend and take an informed decision at the Meetings. The Directors of the company make necessary disclosures regarding the Committee positions held by them in all the Companies in which they are Directors. None of the Director of the Company is the member on more than Ten Committees and a Chairman on more than five Committees across all the Companies in which they are Directors.

The composition of the Board of Directors as on March 31, 2017 and other details are as under :

Name of Director	Category	No of Shares held	No of Board Meetings attended during 2016-17	Whether attended last AGM	No.of Directorships in other Public Limited Companies	No.of Committee positions held in other Companies
Mr.Milan B. Khakhar	Executive Promoter	808415	10	Yes	2	-
Mr.Prakash B. Khakhar	Executive Promoter	1378895	10	Yes	2	-
Mrs.Vasumati B. Khakhar	Non-Executive Promoter	682190	8	No	1	-
Ms.Ashni Y. Parekh	Non-Executive Independent	45951	10	Yes	-	-
Mr. K.Gopi Nair	Non-Executive Independent	840	9	No	-	-
Mr.Gaurav Davda	Non-Executive Independent	56206	9	Yes	-	-

1. Mrs.V.B.Khakhar and Mr.M.B.Khakhar, Mr.P.B.Khakhar are related as Mother and Sons and Mr.M.B. Khakhar and Mr.P.B.Khakhar are related as brothers.
2. The Company, through periodical presentation to Board of Directors and various committee of Directors, provides an opportunity to independent directors to facilitate their active participation and familiarise the company's business.
3. The Company have informal plan for orderly succession for appointment to the Board of Directors and Senior Management.

C. Audit Committee:

The Board of Directors has constituted an Audit Committee of Directors and empowered the Committee to deal with all such matters which it may consider appropriate to perform as audit committee including items specified in Section 177(4) of the Companies Act, 2013 (as may be modified/amended from time to time), items specified in Part C of Schedule II in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 under the head role of audit committee (as may be modified/amended from time to time) and such matters as may be assigned from time to time by the Board of Directors.

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The Audit Committee comprises Ms.A.Y.Parekh , Mr.K.Gopi Nair and Mr.Gaurav Davda. All the members of this Committee are independent Directors and Ms. A. Y. Parekh is the Chairperson of the Audit Committee. The Chief Financial Officer, Statutory and Internal Auditors are Invitees to the Committee. The Company Secretary of the company acts as the Secretary to the Committee.

The Audit Committee's primary role is to review the Company's financial statements, internal financial reporting process, internal financial controls, the audit process, adequacy, reliability and effectiveness of the internal control systems, vigil mechanism, related party transactions, monitoring process for compliance with laws and regulations and the code of conduct.

The Audit Committee also reviews reports and presentations and the responses thereto by the management. The reports and findings of the internal auditor and the internal control system are periodically reviewed by the Audit Committee.

The composition of the Audit Committee and the details of Meetings attended by the Directors are given below:

Name of Members	Category	No.of Committee Meetings attended during 2016-2017
Ms.A.Y.Parekh, Chairperson	Independent Non-Executive	4
Mr.K.Gopi Nair, Member	Independent Non-Executive	3
Mr.Gaurav Davda, Member	Independent Non-Executive	3

During the year 2016-17, Four Audit Committee Meetings were held on 30th May, 2016, 12th August, 2016, 14th November, 2016 and 13th February, 2017.

Meeting of Independent Directors and Attendance Record

Independent Directors to meet at least once in a year to deal with matters listed out in Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV to the Companies Act, 2013 which inter-alia includes, review the performance of non-independent directors, chairman and the Board as a whole and assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary to perform the duties by the Board of Directors.

Attendance Record of Meetings of Independent Directors

Name of the Director	Number of Meeting held	Number of Meeting attended
Ms.A.Y.Parekh, Chairperson	1	1
Mr.K.Gopi Nair, Member	1	1
Mr.Gaurav Davda, Member	1	1

The meeting of the Independent Directors was held on 30th May, 2016.

Performance Evaluation Criteria for Independent Directors:

The Criteria for performance evaluation for Independent Directors includes:

1. Attends meetings regularly.
2. Understands business regulatory competitive and social environment in which the Company operates.
3. Understands strategic issues and challenges confronting the Company.
4. Demonstrates a solid understanding of his/her responsibility as a Director including his/her statutory and fiduciary roles and acts appropriately in his/her governance role.
5. Attends meetings well prepared to evaluate and/or add value to Agenda items presented to the Board.
6. Brings useful outside information and perspective to Board deliberations.
7. Contributes meaningfully to Board discussions, makes useful suggestions, provides strategic insight and directions.
8. Demonstrates an ability to identify the cost benefits and implications of Board decisions.
9. Demonstrates a strong understanding of financial statements, ratios and/or indices of performance and can see the issues behind the numbers.
10. Appropriately questions data and information presented to the Board for its deliberations.

11. Listens effectively to others ideas and view points and encourages contributions from other Directors.
12. Works effectively with fellow Directors to build consensus, manages conflict constructively.
13. Awareness about the developments regarding corporate governance.

Whistle Blower Policy:

The Board of Directors on the recommendations of the Audit Committee has approved and adopted a Whistle Blower Policy that provides a formal mechanism for all employees of the Company to approach the Chairperson of the Audit Committee of the Company and make protective disclosures about the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

D. Nomination & Remuneration Committee

The Board of Directors has constituted a Nomination and Remuneration Committee of Directors. The role of the Committee is to perform all such matters as prescribed under the Companies Act, 2013 and Schedule II - Part D about Role of Nomination and Remuneration Committee of Directors under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter alia includes - recommendation to Board of Directors, the remuneration policy for the Company, formulation of criteria for performance evaluation of directors, Board and Committee, appointment of Director, appointment and remuneration of Whole-time Director and Key Managerial Personnel. The Committee will also deal with matters as may be assigned from time to time by the Board of Directors.

Role of Nomination and Remuneration Committee inter-alia includes:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal; and
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors.

The Committee has formulated a guiding policy on remuneration for its Directors, Key Managerial Personnel and employees of the Company.

The Committee has devised uniform performance evaluation criteria for directors including independent directors.

The Nomination and Remuneration Committee consists of the following Non-Executive Directors:

Ms.A.Y. Parekh (Chairperson)
Mr. K. Gopi Nair
Mr. Gaurav Davda

Meetings of this Committee are held only when required.

No Meeting of this Committee was held during the year 2016-17.

Remuneration Policy

The elements of the remuneration package of Non-Executive Directors consists only of Sitting Fees for attending Board & Committee meetings of the Company. All the Executive Directors of the company have been appointed on a contractual basis, based on the approval of the Shareholders. The elements of the remuneration package of Executive Directors comprises of Salary, Perquisites and Allowances as approved by the Shareholders at the Annual General Meeting.

Details of Remuneration paid to the Directors during the year ended 31st March 2017 are as follows :

Name	Salary	Allowances	Perquisites	Sitting Fees	Total
Mr.M.B.Khakhar	36,00,000	30,000	—	—	36,30,000
Mr.P.B.Khakhar	36,00,000	30,000	—	—	36,30,000
Mrs.V.B.Khakhar	—	—	—	15,000	15,000
Ms.A.Y.Parekh	—	—	—	22,000	22,000
Mr.K.Gopi Nair	—	—	—	18,000	18,000
Mr.Gaurav Davda	—	—	—	18,000	18,000

E Stakeholders' Relationship/Grievance Committee of Directors :

The Board of Directors has constituted a Stakeholders' Relationship/Grievance Committee of Directors. The role of the committee is to consider and resolve the grievances of security holders and perform such roles as may require under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Continuous efforts are made to ensure that grievances are expeditiously redressed to the satisfaction of investors. A status report of shareholders complaints and redressal thereof is prepared and placed before Stakeholders' Relationship/Grievance Committee of Directors.

Mr.Hardik Valia, Company Secretary is the Compliance Officer.

The shareholders/investors can send shares related complaints, if any, through e-mail Id:- sglinvserv@gmail.com designated exclusively for this purpose.

The Stakeholders Relationship Committee met two times during the year on 12th August, 2016, and 13th February, 2017.

The Attendance and Composition of the Directors of the Committee is as follows :

Name of Members	Category	Meetings Attended During the year 2016-2017
Ms.A.Y.Parekh (Chair Person)	Independent Non-Executive	2
Mr.Milan B.Khakhar	Promoter Executive	2
Mrs.Vasumati B.Khakhar	Promoter Non-Executive	1

All the valid Share Transfer requests received during the year were duly attended to and there were no valid request pending for Share Transfer as on 31st March, 2017.

No.of Investors' complaints received during financial year 2016-17 : Nil

No. of Complaints pending unresolved as on 31st March, 2017 : Nil

F. Name and Designation of Compliance officer:

Mr.Hardik Valia – Company Secretary
Solid Stone Company Limited, Maker Chambers V, Nariman Point,
Mumbai - 400021.
Tel: 66115800 Fax: 22826439 Email : sglinvserv@gmail.com

G. Annual General Meetings:

a) The details of the location and time for last three Annual General Meetings are given below:

AGM No	Accounting Year	Date & Time	Location	Special Resolutions passed
26 th	2015-2016	Sep 14 2016 at 9:15 am	Kilachand Conference Hall, Indian Merchant Chambers, 2 nd Floor, IMC Marg, Churchgate, Mumbai-400020.	–
25 th	2014-2015	Sep 24 2015 at 9:15 am	Orchid & Tulip, Centre-1, 1 st Floor, World Trade Centre, Cuffe Parade, Mumbai-400005.	–
24 th	2013-2014	Sep 29 2014 at 9:15 am	Orchid & Tulip, Centre-1, 1 st Floor, World Trade Centre, Cuffe Parade, Mumbai-400005.	i) To increase the borrowing limits ii) To create charges, mortgages and hypothecation of the company's assets.

- (b) Whether any Special Resolutions were passed last year through postal ballot: During the year under review no Special Resolution was passed through postal ballot.
- (c) Person who conducted postal ballot exercise: Not Applicable
- (d) Whether any special resolution is proposed to be passed through postal ballot this year: NO

Other disclosures:

- (a) Related Party Transactions:

All transactions entered into with Related Parties during the financial year were in the ordinary course of business and on an arm's length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Company has formulated a policy on Related Party Transactions.

- (b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None
- (c) Risk Management:

The Company has a comprehensive risk management policy. The risk management policy inter-alia provides for review of the risk assessment and minimisation procedure, laying down procedure to inform the Board in the matter and for periodical review of the procedure to ensure that executive management controls the risks through properly defined framework.

- (d) Code of Conduct:

The Company has framed and adopted a Code of Conduct which is approved by the Board of Directors. The code is applicable to all Directors and Senior Management of the Company.

Declaration by the Managing Director:

During the year under review i.e. April 01, 2016 to March 31, 2017 all Directors and Senior Management personnel have affirmed adherence to the provisions of the code of conduct for Board Members and Senior Management.

Milan Khakhar

Chairman & Managing Director

(e) COMPLIANCE CERTIFICATE BY CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER

- A. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (1) these statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading.
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
 - (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

MILAN KHAKHAR
Managing Director

MANOJ DEWANI
Chief Financial Officer

The above certificate was placed before the Board at its meeting held on May 29, 2017.

- (f) Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The Company has not received any complaint on sexual harassment during the financial year 2016-17.

I. Means of Communication:

The means of communication between the Company and the shareholders are transparent and investor friendly. The Company's quarterly unaudited results are published in leading newspapers in English and Marathi. As such the Company does not send unaudited results to shareholders individually. The company has not made any presentation to any Institutional Investors/ Analysts during the year.

Management Discussion and Analysis Report forms part of this Annual Report:

J. General Shareholder Information:

a) Annual General Meeting

The 27th AGM of the members of the company is scheduled to be held on on Friday, 22nd September, 2017 at 9.15 am at Half Centrum, Centre 1, World Trade Centre, 1st Floor, Cuffe Parade, Mumbai - 400005

b) Financial Calendar for the year 2017-2018 (Provisional)

A	Unaudited Results for the first quarter ending on June 30, 2017	By 14th of September, 2017
B	Unaudited Results for the second quarter ending on September 30, 2017	By 14th of December, 2017
C	Unaudited Results for the third quarter ending on December 31, 2017	By 15th of February, 2018
D	Results (Audited) for the financial Year ending March 31, 2018	By 30th of May, 2018
E	Annual General Meeting for the year ending March 31, 2018	By end of September, 2018

c) Details of book closures:

From 16th September, 2017 to 22nd September, 2017 (both days inclusive)

d) Dividend Payment

The Directors have not proposed any Dividend for the financial year ended 31st March, 2017

e) Stock Exchange Listing:

The Company's shares are listed on Bombay Stock Exchange (BSE), Mumbai. The Company has paid Annual Listing fees upto financial year 2017-2018 to the Bombay Stock Exchange (BSE)

Scrip code on the Bombay Stock Exchange (BSE) : 513699

ISIN : INE584G01012

f) Market Price Data:

The details of monthly highest and lowest closing quotations of the equity shares of the Company at the Bombay Stock Exchange, during financial year 2016-2017 are as under :-

Month	Quotation at Bombay	
	Stock Exchange High	Low
April, 2016	40.75	37.00
May, 2016	43.85	34.20
June, 2016	45.50	41.80
July, 2016	45.40	33.30
August, 2016	39.00	31.95
September, 2016	40.00	30.10
October, 2016	42.00	37.10
November, 2016	52.00	38.00
December, 2016	61.00	45.00
January, 2017	79.25	63.95
February, 2017	82.50	72.00
March, 2017	88.00	71.25

(Source : www.bseindia.com)

g) Registrars and Transfer Agents:

The Company has appointed M/s.Sharex (India) Pvt.Ltd. at Unit no.1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai-400072, as Registrars and Share transfer Agents. Email: investor@sharexindia.com
Tel.No. : 022-28515606 / 28515644

h) Share Transfer System

Share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. Executives of the Company have been authorized to approve transfers.

i) Statistics of Shareholders as on 31st March, 2017

Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares held
1-500	781	83.26	89,536	1.66
501 – 1000	49	5.22	40,514	0.75
1001 – 2000	30	3.20	45,489	0.85
2001 – 3000	11	1.17	29,752	0.55
3001 – 4000	5	0.53	19,300	0.36
4001 – 5000	7	0.75	32,229	0.60
5001 – 10000	11	1.17	80,141	1.49
10001 and above	44	4.69	50,43,039	93.74
Total	938	100.00	53,80,000	100.00

j) Shareholding Pattern as on March 31, 2017:

Categories	No of Shares	% of shareholding
Promoters	37,27,900	69.292
Indian Public	10,39,632	19.324
Private Corporate Bodies	5,24,879	9.756
NRI / OCBs	1,389	0.026
Clearing Members	86,200	1.602
Total	53,80,000	100.000

k) Dematerialization of Shares:

The company has appointed M/s.Sharex (India) Pvt.Ltd., Unit no.1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai-400072 as Share Transfer Agents of the Company for transfer of Shares in physical and demat form.

97.15 % of the Company's Share Capital is dematerialized as on 31st March, 2017.

l) The Company has not issued any GDRs/ADRs. No Bonds were outstanding as on 31st March, 2017.

m) Address for correspondence:

1501, Maker Chambers V, Nariman Point, Mumbai-400021.
Ph. 91 22 66115800

n) ROC - Company Identity Number (CIN):

L26960MH1990PLC056449

SOLID STONE COMPANY LIMITED

(CIN : L26960MH1990PLC056449)

BRIEF RESUME OF PERSONS PROPOSED TO BE APPOINTED/RE-APPOINTED AS DIRECTORS OF THE COMPANY AT THE ANNUAL GENERAL MEETING

Name	Mrs.Vasumati B.Khakhar
Age	80 Years
Nature of expertise	Business Management
Name of the companies in which also holds directorship	1. Global Instile Solid Industries Limited
Name of the companies in the committees of which also holds membership/chairmanship	-
Other activities	-
No. of shares held in the Company	6,82,190

By Order of the Board of Directors

Milan B. Khakhar
Chairman & Managing Director
(DIN : 00394065)

Place : Mumbai
Date : 29th May, 2017

CERTIFICATE ON CORPORATE GOVERNANCE

To the Shareholders of

Solid Stone Company Limited

We have examined the compliance of the conditions of Corporate Governance by Solid Stone Company Limited ('the Company') for the year ended on March 31, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has, in all material respects, complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations, 2015 for the year ended March 31, 2017.

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

For Jinang Shah and Associates
Company Secretaries

Jinang Shah
Proprietor
Membership No.: A38194
C.P.No.14215

Place: Ahmedabad
Date: May 29, 2017

ANNEXURE “E” to Directors’ Report:**DETAILS OF THE REMUNERATION OF DIRECTORS, KMP’S AND EMPLOYEES**

[Pursuant To Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) Of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014] for the year ended 31st March, 2017

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2016-17 (Rs.in Lakhs)	% increase in Remuneration in the Financial Year 2016-17	Ratio of Remuneration of each Director/to median remuneration of employees during F.Y.2016-17	Remuneration of Director/ KMP for Financial Year 2015-16 (Rs.in Lakhs)	% increase in Remuneration in the Financial Year 2015-16	Ratio of Remuneration of each Director/ to median remuneration of employees during F.Y.2015-16
1	Mr.Milan Khakhar, Chairman & Managing Director	36.30	NIL	17.29	36.30	11.11%	15.00
2	Mr.Prakash Khakhar, Joint Managing Director	36.30	NIL	17.29	36.30	11.11%	15.00
3	Mrs.Vasumati Khakhar, Promoter & Non- Executive	xxx	xxx	0	xxx	xxx	0
4	Ms.Ashni Parekh, Non-Executive & Independent	xxx	xxx	0	xxx	xxx	0
5	Mr.K.Gopi Nair, Non-Executive & Independent	xxx	xxx	0	xxx	xxx	0
6	Mr.Gaurav Davda, Non-Executive & Independent	xxx	xxx	0	xxx	xxx	0
7	Mr.Manoj Dewani, Chief Financial Officer *	16.80	(-) 9.68%	xxx	18.60	(-) 22.50%	xxx
8	Mr.Hardik Valia, Company Secretary	1.98	NIL	xxx	1.98	NIL	xxx

- ii. The median remuneration of employees of the Company during the financial year was Rs.2.10 Lakhs per annum (Previous year Rs.2.40 Lakhs). In the financial year 2016-17, there was a decrease of 12.5 % in the median remuneration of employees (Previous year : decrease of 1.23%);
- iii. There were 40 number of permanent employees on the rolls of Company as on March 31, 2017 (Previous year: 39);
- iv. The *explanation on the relationship between average increase in remuneration and company performance*: The increase in remuneration is linked to the performance of the Company as a whole, the performance of the concerned Division, the performance of the employees and other factors like industry trends and economic environment.

- v. a) *Variations in the market capitalisation of the Company* : Our market capitalization increased by 147.32 % to Rs.4710.19 Lakhs as on March 31, 2017 from Rs.1904.52 Lakhs as on March 31, 2016.(In the previous financial year, market capitalization decreased by 33.21% to Rs.1904.52 Lakhs as on March 31, 2016 from Rs.2851.40 Lakhs as on March 31, 2015.)
- b) *Price Earnings ratio* of the Company was Rs.64.85 as at March 31, 2017 and was Rs.32.18 as at March 31, 2016.
- c) *Percentage increase over / decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer* – The closing price of the Equity Shares as on March 31, 2017 was Rs.87.55 representing 875.50% increase over the IPO price of Rs.10/-. (closing price of the Equity Shares as on March 31, 2016 was Rs.35.40 representing 354.00% increase)
- vi. Average percentage increase/decrease made in the salaries of employees other than the managerial personnel in the last financial year . 2016-17 and 2015-16 was (-) 9.34% and (-) 8.61% respectively and the increase/decrease in the managerial remuneration for the same financial year 2016-17 and 2015-16 was NIL and (-) 7.35% respectively.
- vii. *Comparison of Remuneration of each Key Managerial Personnel(s) and All Key Managerial Personnel(s) together against the performance of the Company:*

	Mr.Milan B.Khakhar	Mr.Prakash B.Khakhar	Mr.Hardik Valia	Mr.Manoj Dewani	Total
Aggregate remuneration of Key managerial personnel (KMP) in financial year 2016-17 (Rs. in Lakhs)	36.30 (36.30)	36.30 (36.30)	1.98 (1.98)	16.80 (18.60)	91.38 (93.18)
Revenue (Rs. in Lakhs)	7397.57 (6003.83)				
Remuneration of KMPs (as % of revenue)	0.49% (0.60%)	0.49% (0.60%)	0.03% (0.03%)	0.23% (0.31%)	1.24% (1.54%)
Profit before Tax (PBT) (Rs. in Lakhs)	112.17 (92.55)				
Remuneration of KMPs (as % of PBT)	32.36% (38.90%)	32.36% (38.90%)	1.77% (2.14%)	14.98% (20.10%)	81.47% (100.03%)

(Figures in bracket relate to data of previous financial year)

- viii. *The key parameters for any variable component of remuneration availed by the directors:* There are no variable components of remuneration to the directors during the financial year 2016-17 and 2015-16.
- ix. *The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:* There are no such cases wherein any employee received remuneration in excess of the highest paid Director.
- x. *Affirmation that the remuneration is as per the remuneration policy of the company:* It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

ANNEXURE “F” to Directors’ Report:**Form No. MR-3
SECRETARIAL AUDIT REPORT**

For the financial year ended March 31, 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,
Solid Stone Company Limited
CIN No.: L26960MH1990PLC056449
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Solid Stone Company 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 of the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions 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 March 31, 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 there under as applicable during the financial year 2016-17;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - (Not applicable to the Company during the Audit Period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) as applicable during the financial year 2016-17):-
 - 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, 1992 (upto May 14, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective May 15, 2015);
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective October 28, 2014);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. 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;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period);

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective July 1, 2015;

- ii. The Listing Agreements entered into by the Company with BSE Limited pursuant to SEBI (Listing Obligations and Disclosure Requirements), 2015 made effective 1st December 2015;

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations and Guidelines, Standards as mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors / Committees thereof that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This Report is to be read with our letter of even date which is annexed as Annexure I and forms an integral part of this Report.

For **JINANG SHAH & ASSOCIATES**

(JINANG SHAH)
Practising Company Secretary
Proprietor
Membership No. A38194 /CP No. 14215

Date : 29th May, 2017
Place : Ahemdabad

Annexure I to Secretarial Audit Report

To,
The Members,
Solid Stone Company Limited
CIN No.: L26960MH1990PLC056449
Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the company.
4. Wherever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and norms is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **JINANG SHAH & ASSOCIATES**

(JINANG SHAH)
Practising Company Secretary
Proprietor
Membership No. A38194 /CP No. 14215

Date: 29th May, 2017

Place: Ahemdabad

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOLID STONE COMPANY LIMITED**Report on the Standalone Financial Statements**

1. We have audited the accompanying standalone financial statements of **SOLID STONE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements.

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the "Annexure A" - a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

SOLID STONE COMPANY LIMITED

(CIN : L26960MH1990PLC056449)

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) with respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27A to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its Standalone Financial Statements as regards holding and dealing in Specified Bank Notes (SBN) as defined in the notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and relying on management representation, we report that the disclosures in Note 17 of the Standalone Financial Statements are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For Ashar & Co
Chartered Accountants
Firm Regn.No.129159W

Yogesh Ashar
Partner
Mem. No. 046259
Place: Mumbai
Date: May 29, 2017

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SOLID STONE COMPANY LIMITED

- 1) In respect of its Fixed Assets:
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;
 - b) As explained to us, the Assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of its business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification;
 - c) On the basis of our examination and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- 2) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification;
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly the clause 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the order is not applicable to the Company
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made and guarantees given.
- 5) The Company has not accepted any deposit from public during the year in accordance with the provisions of sections 73 to 76 of the Act and the rules framed thereunder.
- 6) According to the information and explanations given to us, Central Government has not prescribed maintenance of cost records under section 148 (1) of the Act.
- 7)
 - a) *There is no Provident Fund scheme and Employees State Insurance scheme in the company. However the Company has enrolled under the Employees’ Provident Fund Scheme and is seeking to take the benefit of Employees’ Enrolment Campaign, 2017. According to the Company there is no material liability on account of the same. According to the records of the Company, it has been generally regular in depositing undisputed statutory dues including Income-Tax, Sales-Tax, Custom Duty, Excise Duty and other Statutory Dues with the appropriate authorities, except delay in few. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.*
 - b) According to the records of the company, the dues outstanding of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Financial Year	Amount (Rs. in lacs)	Forum where dispute is pending
Income Tax	IT Matter under dispute	A.Y. 2011-12 (F.Y. 2010-11)	8.25	Commissioner (Appeals)
Income Tax	IT Matter under dispute	A.Y. 2013-14 (F.Y. 2012-13)	1.62	Commissioner (Appeals)
Income Tax	IT Matter under dispute	A.Y. 2014-15 (F.Y. 2013-14)	1.28	Commissioner (Appeals)
Maharashtra VAT	VAT Matter under dispute	2008-2009	357.06	Deputy Commissioner (Appeals)

- 8) The Company has not defaulted in repayment of its dues to banks and Financial Institutions. The Company does not have any borrowings by way of debentures.
- 9) The Company has not raised any moneys by way of Initial public offer or further Public offer (Including debt instruments), during the year. Moneys raised by way of Term / Hire Purchase Loan were applied for the purpose for which those are raised.
- 10) On the basis of our examination and according to the information and explanations given to us, no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year, nor have we been informed of any such case by the management.
- 11) The managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 12) The company is not a nidhi Company and accordingly provisions of clause (xii) of Para 3 of the order are not applicable to the Company.

SOLID STONE COMPANY LIMITED

(CIN : L26960MH1990PLC056449)

- 13) On the basis of our examination and according to the information and explanations given to us, we report that all the transaction with the related parties are in compliance with Section 177 and 188 of the Act, and the details have been disclosed in the Financial statements in Note no. 27E as required by the applicable accounting standards.
- 14) The company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year and accordingly provisions of clause (xiv) of Para 3 of the Order are not applicable to the Company.
- 15) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly provisions of clause (xv) of Para 3 of the Order are not applicable to the company.
- 16) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934 and accordingly, provisions clause (xvi) of Para 3 of the Order are not applicable to the Company.

For Ashar & Co
Chartered Accountants
Firm Regn.No.129159W

Yogesh Ashar
Partner
Mem. No. 046259
Place: Mumbai
Date: May 29, 2017

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SOLID STONE COMPANY LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

1. We have audited the internal financial controls over financial reporting of **SOLID STONE COMPANY LIMITED** (“the Company”) as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk

that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ashar & Co
Chartered Accountants
Firm Regn.No.129159W

Yogesh Ashar
Partner
Mem. No. 046259
Place: Mumbai
Date: May 29, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

Rs.in '000s

	Note	As At March 31, 2017	As At March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	53800.00	53800.00
Reserves & Surplus	4	143488.11	136232.57
		197288.11	190032.57
Non-Current Liabilities			
Long-Term Borrowings	5	9386.93	9158.58
Long-Term Provisions	6	3124.38	2847.45
Deferred Tax Liability	11	0.00	0.00
		12511.32	12006.03
Current Liabilities			
Short-Term Borrowings	7	143899.64	117267.34
Trade Payables	8	19559.14	41442.29
Other Current Liabilities	9	118375.68	134544.44
Short-Term Provisions	6	2426.33	2021.78
		284260.79	295275.84
		494060.22	497314.44
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		19169.08	26174.28
Intangible Assets		0.00	0.00
		19169.08	26174.28
Deferred Tax Asset (Net)	11	2091.18	708.54
Non-Current Investments	12	11072.51	11072.51
Long-Term Loans & Advances	13	2897.22	4169.44
Other Non-Current Assets	14	0.00	0.00
		35229.99	42124.77
Current Assets			
Inventories	15	227201.27	248792.72
Trade Receivables	16	120626.29	109111.93
Cash & Bank Balances	17	4366.75	1698.25
Short-Term Loans & Advances	13	106560.44	95574.91
Other Current Assets	14	75.48	11.85
		458830.23	455189.66
		494060.22	497314.44
TOTAL		494060.22	497314.44
Significant Accounting Policies	2		

The Notes are an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

For and on Behalf of the Board

For ASHAR & CO.

Chartered Accountants
(ICAI Regn.No.129159W)

YOGESH ASHAR

Partner
(Mem.No.046259)

MUMBAI :
DATED : 29th May, 2017

M. B. KHAKHAR
Chairman & Managing Director
(DIN: 00394065)

M.D.DEWANI
Chief Financial Officer

P. B. KHAKHAR
Joint Managing Director
(DIN: 00394135)

H.D.VALIA
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Rs.in '000s

	Note	As At March 31, 2017	As At March 31, 2016
INCOME			
Revenue from operations (Gross)	18	739123.62	599383.45
Less:- Excise Duty		0.00	0.00
Revenue from operations (Net)		739123.62	599383.45
Other income	19	633.77	999.31
Total Revenue		739757.39	600382.76
EXPENSES			
Cost of materials consumed	20	2262.77	3992.10
Purchases of Stock in Trade	21	613518.02	482156.14
Changes in Inventory	22	21089.69	10251.10
Employee benefits expense	23	20537.31	22949.48
Finance costs	24	21383.01	17915.16
Depreciation & Amortisation expense	25	6614.10	7098.49
Other expenses	26	43135.88	46765.58
Total Expenses		728540.77	591128.07
PROFIT/(LOSS) BEFORE TAX		11216.62	9254.69
Tax Expense:			
Current tax		5300.00	4900.00
Deferred tax		-1382.64	-1587.39
Short/(Excess) Provision of Tax written Off /(back)		43.71	7.39
		3961.08	3320.00
PROFIT/(LOSS) FOR THE YEAR		7255.54	5934.70
Earnings per equity share:	27 (D)		
Basic & diluted		1.35	1.10

Significant Accounting Policies

2

The Notes are an integral part of these financial statements

This is the statement of Profit & Loss referred to in our report of even date

For and on Behalf of the Board

For ASHAR & CO.Chartered Accountants
(ICAI Regn.No.129159W)**YOGESH ASHAR**Partner
(Mem.No.046259)MUMBAI :
DATED : 29th May, 2017**M. B. KHAKHAR**
Chairman & Managing Director
(DIN: 00394065)**M.D.DEWANI**
Chief Financial Officer**P. B. KHAKHAR**
Joint Managing Director
(DIN: 00394135)**H.D.VALIA**
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Rs.in '000s

	<u>2016-17</u>	<u>2015-16</u>
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT / (LOSS) BEFORE TAX	11216.62	9254.69
Adjustment for :		
Depreciation	6614.10	7098.49
Preliminary Expenses written off	9.44	9.44
Interest Paid	18918.76	16300.94
Interest & Dividend Income	-80.44	-9.03
Loss / (Gain) on fixed assets sold/discarded (Net)	434.97	1198.45
Loss / (Gain) on Investments sold/discarded (Net)	0.00	0.00
	25896.83	24598.29
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	37113.45	33852.99
Decrease / (increase) in Trade Receivables, Short / Long Term		
Loans & Advances, Other Non-Current / Current Assets	-21300.72	44.56
Decrease / (increase) in Inventories	21591.45	10671.81
Increase / (decrease) in Trade Payable, Long Term /		
Current Liabilities & Long / Short Term Provisions.	-35756.34	-29858.26
	-35465.61	-19141.89
CASH GENERATED FROM OPERATIONS	1647.84	14711.10
Direct Taxes paid	-4954.56	-6928.25
NET CASH FROM OPERATING ACTIVITIES	-3306.72	7782.85
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible / Intangible Assets,		
Capital Work in Progress & Capital Advances	-77.38	-288.76
Increase in Investments	0.00	0.00
Proceeds from sale of Fixed Assets	33.50	0.00
Interest & Dividend income	80.44	9.03
NET CASH USED IN INVESTING ACTIVITIES	36.56	-279.73
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayments) / proceeds from Borrowings (Net)	26632.31	-64.34
Proceeds from Term Loan	-1725.28	7280.17
Interest paid	-18918.76	-16300.94
Dividend and Corporate Dividend Tax	-49.61	-128.84
NET CASH FROM FINANCING ACTIVITIES	5938.66	-9213.95
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2668.50	-1710.83
CASH AND CASH EQUIVALENTS AS AT 31.3.2016	1698.25	3409.07
CASH AND CASH EQUIVALENTS AS AT 31.3.2017	4366.75	1698.25

As per our attached Report of even date

For and on Behalf of the Board

For ASHAR & CO.

Chartered Accountants
(ICAI Regn.No.129159W)**YOGESH ASHAR**Partner
(Mem.No.046259)MUMBAI :
DATED : 29th May, 2017**M. B. KHAKHAR**
Chairman & Managing Director
(DIN: 00394065)**M.D.DEWANI**
Chief Financial Officer**P. B. KHAKHAR**
Joint Managing Director
(DIN: 00394135)**H.D.VALIA**
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**NOTE 1 : NATURE OF OPERATIONS**

Solid Stone Company Limited is primarily engaged in the business of natural stones, building materials and allied building business activities. The company presently has manufacturing facilities in Palghar and Retail outlets at Mumbai and Delhi

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES**Basis of Accounting**

The Financial Statements are prepared in accordance with the generally accepted accounting principles in India under the historical cost convention (except for revaluation of Plant and Machinery), on an accrual basis, in accordance with applicable Accounting Standards and the relevant provisions of the Companies Act, 2013.

Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised.

Revenue Recognition

All the revenues are accounted on accrual basis except dividend income which is recognised when the shareholders' or unitholders' right to receive payment is established

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Sales

Sales and Purchase of goods includes VAT, Sales tax. Sales of Services is net of service tax if any.

Fixed Assets

Tangible Fixed Assets are stated at cost or revalued amounts, as the case may be, less accumulated depreciation and provision for impairment, if any. The cost includes expenditure incurred in the acquisition and construction / installation and other related expenses in bringing the asset to working condition for its intended use. In respect of qualifying assets, related pre-operational expenses including borrowing costs are also capitalised. In case of revaluation of fixed assets, the original cost as written up by the valuer, is considered in the account and the differential amount is transferred to revaluation reserve.

Intangible Assets are stated at acquisition cost, net off accumulated amortisation and provision for impairment, if any.

Depreciation

Depreciation on Tangible and Intangible Assets has been provided on Straight Line Method based on the revised useful life of the assets and in the manner prescribed in Schedule II to the Companies Act, 2013 on prorata basis from the date of additions and/or disposal.

Borrowing costs

Interest and other borrowing costs, attributable to the acquisition of or construction of qualifying assets till such time the assets are substantially ready for their intended use, are capitalised. All other borrowing costs are charged to revenue.

Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and "Value in use" of the assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value at the weighted average cost of capital.

Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost or fair value. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Foreign Currency Transactions**Initial Recognition**

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

Forward Exchange Contracts

The premium or discount arising at the inception of forward exchange contract entered into to hedge an existing asset / liability, is amortised as expense or income over the life of the contract. Exchange difference on such a contract is recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

Inventory

(i) Inventory is valued as follows:

Stocks of Raw Materials, Stores and Spare parts are valued at cost. Finished Goods and Stock of Traded Goods are valued a lower of cost or net realisable value

(ii) Cost of Finished Goods and Stock in Process is determined by considering materials, labour and other related direct expenses.

Customs Duty and Excise Duty

Customs Duty and Excise Duty have been accounted for on the basis of both payments made in respect of goods cleared as well as provision made for goods lying in bonded warehouse. Such provision is included in the valuation of closing stocks of respective materials and goods.

Retirement & other employee benefits

Short term employee benefits are accounted in the period during which the services have been rendered.

The Company's liability towards Gratuity, Pension to certain categories of employees and long term employee Compensated Leave Encashment being defined benefit plans are accounted for based on Actuarial valuation done at the year end using the Projected Unit Credit Method. Actuarial gains and losses are charged to Statement of Profit & Loss.

Income Taxes

Tax expense comprises both current and deferred taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods are recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has carry forward unabsorbed depreciation and tax losses, deferred Tax assets are recognised only to the extent there is a virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Segment Reporting Policies

Identification of Segments:

The Company is primarily engaged in the business of natural stones, building material and allied building activities which is considered as a single segment.

Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

NOTE 3: SHARE CAPITAL

	Rs.in '000s	
	As at March 31, 2017	As at March 31, 2016
Authorised		
75,00,000 Equity Shares of Rs. 10/- each	75000.00	75000.00
	75000.00	75000.00
Issued, Subscribed and Fully Paid-up		
53,80,000 Equity Shares of Rs. 10/- each	53800.00	53800.00
	53800.00	53800.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Particulars	Nos.	As at	Nos.	As at
		March 31, 2017		March 31, 2016
		Rs. In '000		Rs. In '000
Equity shares at the beginning of the period	5380000	53800.00	5380000	53800.00
Issued during the period	-	0.00	-	0.00
Equity shares at the end of the period	5380000	53800.00	5380000	53800.00

(a) Rights, preferences and restrictions attached to shares

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Shareholders holding more than 5 percent of the equity shares

Name of Shareholder	March 31, 2017		March 31, 2016	
	No. of Shares held	% to Total Shareholders	No. of Shares held	% to Total Shareholders
Prakash Bhagwandas Khakhar	1378895	25.63	1378895	25.63
Milan Bhagwandas Khakhar	808415	15.02	808015	15.02
Jeenoo Milan Khakhar	699300	13.00	699300	13.00
Vasumati Bhagwandas Khakhar	682190	12.68	682190	12.68

NOTE 4 : RESERVES AND SURPLUS

	Rs.in '000s	
	March 31, 2017	March 31, 2016
Capital Subsidy		
As per last Account	954.90	954.90
Capital Reserve		
As per last Account	3450.00	3450.00
Securities Premium Reserve		
As per last Account	52400.00	52400.00
General Reserve		
As per last Account	500.00	500.00
Add: Transfer from Statement of Profit & Loss	0.00	0.00
	500.00	500.00
Surplus in the statement of profit and loss		
Balance as per last financial statement	78927.67	72992.97
Profit / loss for the year	7255.54	5934.70
Less:- Appropriations		
Proposed Dividend	0.00	0.00
Corporate Tax on Dividend	0.00	0.00
Transfer to General Reserve	0.00	0.00
Closing Balance	86183.21	78927.67
	143488.11	136232.57

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

NOTE 5: LONG-TERM BORROWINGS

	Non-current		Current maturities	
	March 31, 2017	Rs.in '000s March 31, 2016	March 31, 2017	Rs.in '000s March 31, 2016
Secured				
Term Loans:				
From a Bank	0.00	0.00	0.00	0.00
Foreign Currency Loan from a Bank	0.00	0.00	0.00	0.00
Vehicle Loans: (Refer Note (a) below)	1053.16	273.21	792.10	2236.44
Unsecured				
Loans from Banks and NBFC	8333.78	8885.37	8641.70	9151.00
Amounts disclosed under the head 'Other Current Liabilities' (Note 9)	0.00	0.00	-9433.80	-11387.44
	9386.93	9158.58	0.00	0.00

a. Term Loan :

Vehicle loan is secured by a specific charge on respective vehicle purchased. Details of each loan taken are stated below :-

Name of the Bank/NBFC	No. of Instalments	Date of Maturity	Rate of Interest	Instalments Amount
Daimler Financial Services India P. Ltd	36	13-Jun-19	11.76%	66677
Volkswagen Finance Private Limited	60	20-Jan-19	9.49%	13541
b. Unsecured Loan				
Kotak Mahindra bank Ltd.	36	10-May-19	18.50%	273028
Bajaj Finance Ltd.	36	5-Jun-17	19.50%	130475
Bajaj Finance Ltd.	36	5-Aug-18	19.75%	37407
Edelweiss Retail Finance Ltd.	60	5-Mar-21	19.00%	103763
Magma Fincorp Ltd.	24	7-Dec-17	20.00%	204516
Religare Finvest Ltd.	24	10-Nov-17	18.00%	101070
Tata Capital Financial Services P.Ltd.	36	15-Jul-18	18.48%	144610
Shriram City Union Finance Ltd.	36	5-May-19	19.00%	109969

NOTE 6 : PROVISIONS

	Long-Term		Short-Term	
	March 31, 2017	Rs.in '000s March 31, 2016	March 31, 2017	Rs.in '000s March 31, 2016
Provision for employee benefits				
Gratuity	3124.38	2847.45	143.83	128.44
Tax (Net of advance Tax paid)	0.00	0.00	2282.50	1893.34
Proposed Dividend	0.00	0.00	0.00	0.00
Corporate Tax on Dividend	0.00	0.00	0.00	0.00
	3124.38	2847.45	2426.33	2021.78

NOTE 7 : SHORT-TERM BORROWINGS

	Rs.in '000s	
	March 31, 2017	March 31, 2016
Secured		
Working Capital Facilities from Banks	129111.64	97560.34
Unsecured		
Loans from Directors and Related Parties	14788.00	19707.00
	143899.64	117267.34

Nature of security :

Working Capital facilities from banks are secured on pari passu basis, by way of hypothecation of inventories, book debts and receivables both present and future and further secured by way of equitable mortgage of company's factory and machinery and equipments as well as equitable mortgage over factory and machinery and equipments of M/s. Global Instile Solid Industries Limited (Related party).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**NOTE 8 : TRADE PAYABLES**

	Rs.in '000s	
	March 31, 2017	March 31, 2016
Outstanding Dues of Micro and Small Enterprises (Refer Note 27 (C))	0.00	0.00
Outstanding Dues of Creditors other than Micro and Small Enterprises	19559.14	41442.29
	19559.14	41442.29

NOTE 9 : OTHER CURRENT LIABILITIES

	Rs.in '000s	
	March 31, 2017	March 31, 2016
Current maturities of long term borrowings (Note 5)	9433.80	11387.44
Security Deposit	98407.88	112771.35
Statutory dues :		
Service Tax	0.00	0.00
Withholding Taxes	543.75	284.27
Others - VAT and Central Sales Tax	1996.86	2345.76
Other payables:		
Liabilities for expenses	7549.27	7261.89
Unclaimed Dividend	444.13	493.73
	118375.68	134544.44

There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

NOTE 10 : FIXED ASSETS

Rs.in '000s

Nature of Fixed Assets	GROSS BLOCK				DEPRECIATION					NETBLOCK	
	Cost/ Value as at 01/04/2016	Additions	Deductions / Adjustments	Cost/ Value as at 31/03/2017	Upto 31/03/2016	Adjustment due to change in method from WDV to SLM**	Provided during the year	Deduct-ions/ Adjust-ments	Upto 31/03/2017	As at 31/03/2017	As at 31/03/2016
Tangible Assets											
Land	141.04 (141.04)	0.00 (0.00)	0.00 (0.00)	141.04 (141.04)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	141.04 (141.04)	141.04 (141.04)
Buildings	4515.38 (4515.38)	0.00 (0.00)	0.00 (0.00)	4515.38 (4515.38)	2158.14 (2012.80)	0.00 (0.00)	144.45 (145.34)	0.00 (0.00)	2302.60 (2158.14)	2212.78 (2357.24)	2357.24 (2502.58)
Plant & Machinery	7744.43 (8207.48)	0.00 (0.00)	0.00 (463.05)	7744.43 (7744.43)	5222.42 (4989.27)	0.00 (0.00)	391.42 (423.68)	0.00 (190.53)	5613.84 (5222.42)	2130.59 (2522.01)	2522.01 (3218.21)
Furniture & Fixtures	26860.78 (29407.29)	0.00 (0.00)	0.00 (2546.51)	26860.78 (26860.78)	17243.49 (14958.49)	0.00 (0.00)	3613.95 (3905.58)	0.00 (1620.58)	20857.44 (17243.49)	6003.34 (9617.30)	9617.30 (14448.81)
Computer	2532.80 (2461.69)	0.00 (71.11)	0.00 (0.00)	2532.80 (2532.80)	2263.86 (2002.11)	0.00 (0.00)	218.42 (261.75)	0.00 (0.00)	2482.29 (2263.86)	50.52 (268.94)	268.94 (459.59)
Office Equipment	5726.64 (5508.99)	77.38 (217.65)	876.27 (0.00)	4927.76 (5726.64)	2752.72 (2356.70)	0.00 (0.00)	422.91 (396.02)	407.79 (0.00)	2767.83 (2752.72)	2159.92 (2973.92)	2973.92 (3152.29)
Vehicles	18148.25 (18148.25)	0.00 (0.00)	0.00 (0.00)	18148.25 (18148.25)	11367.26 (9538.68)	0.00 (0.00)	1685.41 (1828.58)	0.00 (0.00)	13052.67 (11367.26)	5095.58 (6780.99)	6780.99 (8609.57)
Speed Boat	1919.92 (1919.92)	0.00 (0.00)	0.00 (0.00)	1919.92 (1919.92)	407.08 (269.55)	0.00 (0.00)	137.53 (137.53)	0.00 (0.00)	544.61 (407.08)	1375.31 (1512.84)	1512.84 (1650.37)
Total Tangible Assets	67589.25	77.38	876.27	66790.36	41414.97	0.00	6614.10	407.79	47621.28	19169.08	26174.28
Previous year	70310.05	288.76	3009.56	67589.25	36127.59	0.00	7098.49	1811.11	41414.97	26174.28	34182.46
Intangible Assets											
Computer Software	37.44 (37.44)	0.00 (0.00)	0.00 (0.00)	37.44 (37.44)	37.44 (37.44)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	37.44 (37.44)	0.00 (0.00)	0.00 (0.00)
Total Intangible Assets	37.44	0.00	0.00	37.44	37.44	0.00	0.00	0.00	37.44	0.00	0.00
Previous year	37.44	0.00	0.00	37.44	37.44	0.00	0.00	0.00	37.44	0.00	0.00
Grand Total										19169.08	26174.28

(Figures in Brackets relate to previous year)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

NOTE 11 : DEFERRED TAX ASSET/(LIABILITY) -NET :

	March 31, 2017	Rs.in '000s March 31, 2016
The breakup of Deferred Tax Asset: Arising on account of timing difference in:		
- Depreciation	1010.61	-275.38
- Accrued Expenses allowable on Actual Payments	1080.57	983.92
Deferred Tax Asset / (Liability)	<u>2091.18</u>	<u>708.54</u>

NOTE 12 : NON-CURRENT INVESTMENTS

	March 31, 2017	Rs.in '000s March 31, 2016
Trade - Unquoted - Fully Paid 20000 Equity shares of GBP 1/- each of Granitexx UK Limited.	1609.51	1609.51
Trade - Unquoted - Fully Paid 520 Equity Shares of Rs. 25/- each Shreeji Bhatia Co-operative Bank	13.00	13.00
Non Trade - Unquoted - Fully Paid 270000 Equity shares of Rs.10/- each of Global Instile Solid Industries Limited	9450.00	9450.00
	<u>11072.51</u>	<u>11072.51</u>

NOTE 13 : LOANS & ADVANCES

	Long Term		Short Term	
	March 31, 2017	Rs.in '000s March 31, 2016	March 31, 2017	Rs.in '000s March 31, 2016
Unsecured, Considered Good				
Loan to Employees	0.00	0.00	0.00	23.00
Advances Recoverable in cash or in kind	0.00	0.00	19820.12	39019.58
Advance to Suppliers	0.00	0.00	86136.60	55367.69
Security Deposits	2897.22	4169.44	0.00	0.00
Prepaid Expenses	0.00	0.00	96.79	91.00
Other loans and advances:				
Balances with Custom and Excise authorities	0.00	0.00	506.94	1073.64
Advance payment of Income Tax / Tax Deducted at Source (after adjusting provision)	0.00	0.00	0.00	0.00
	<u>2897.22</u>	<u>4169.44</u>	<u>106560.44</u>	<u>95574.91</u>

NOTE 14 : OTHER ASSETS

	Non-current		Current	
	March 31, 2017	Rs.in '000s March 31, 2016	March 31, 2017	Rs.in '000s March 31, 2016
Unsecured, Considered Good				
Interest accrued on fixed Deposits	0.00	0.00	75.48	2.41
Non-current Bank Balances (Note 17)	0.00	0.00	0.00	0.00
Others - Miscellaneous Expenditure to the extent not written off or adjusted	0.00	0.00	0.00	9.44
	<u>0.00</u>	<u>0.00</u>	<u>75.48</u>	<u>11.85</u>

NOTE 15 : INVENTORIES

	March 31, 2017	Rs.in '000s March 31, 2016
At lower of cost and net realisable value		
Raw materials	2734.50	3293.62
Stock-in-process	0.00	0.00
Finished goods	224368.14	245457.83
Tools and Stores	98.63	41.27
	<u>227201.27</u>	<u>248792.72</u>

NOTE 16 : TRADE RECEIVABLES

	March 31, 2017	Rs.in '000s March 31, 2016
Unsecured, Considered Good		
Overdue for a period exceeding six months	49192.13	10737.71
Others	71434.16	98374.22
	<u>120626.29</u>	<u>109111.93</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**NOTE 17 : CASH & BANK BALANCES**

	Non-current		Current	
	Rs.in '000s		Rs.in '000s	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Cash & Cash equivalents:				
Balances with banks;				
In Current Accounts	0.00	0.00	192.21	561.61
Cash on hand	0.00	0.00	717.90	537.76
	<u>0.00</u>	<u>0.00</u>	<u>910.11</u>	<u>1099.38</u>
Other Bank Balances;				
In Deposit Accounts (more than 12 months maturity)	0.00	0.00	0.00	0.00
In Deposit Accounts (more than 3 months but less than 12 months maturity)	0.00	0.00	3012.52	105.14
In unclaimed Dividend Account	0.00	0.00	444.13	493.73
	<u>0.00</u>	<u>0.00</u>	<u>3456.64</u>	<u>598.87</u>
Amounts disclosed under 'Non Current Assets' (Note 15)	0.00	0.00	0.00	0.00
	<u>0.00</u>	<u>0.00</u>	<u>4366.75</u>	<u>1698.25</u>

	Specified Bank Notes (Rupees)	Other Denomination notes (Rupees)	Total (Rupees)
Closing Cash in Hand as on 8-11-2016	-	95,027	17,23,027
(+) Withdrawn from Bank	-	3,96,000	3,96,000
(+) Permitted Receipts	-	2,49,325	2,49,325
(-) Permitted payments	53,000	3,89,453	4,42,453
(-) Amount Deposited in Bank	15,75,000	-	15,75,000
Closing Cash in Hand as on 30-12-2016	-	3,50,899	31,04,899

NOTE 18 : REVENUE FROM OPERATIONS

	Rs.in '000s	
	2016-17	2015-16
Sales:		
- Goods	712624.11	572722.06
- Services including labour charges	2782.84	9130.77
Other Operating Revenues	23716.67	17530.63
	<u>739123.62</u>	<u>599383.45</u>

NOTE 19 : OTHER INCOME

	Rs.in '000s	
	2016-17	2015-16
Interest on Fixed Deposits with Bank	80.44	9.03
Dividend on Shares	1.52	0.00
Net gain on Foreign Currency transactions	0.00	812.88
Insurance Claim received on Goods	0.00	173.70
Compensation Received for Material	484.81	0.00
Miscellaneous Receipts	67.00	3.70
	<u>633.77</u>	<u>999.31</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

NOTE 20 : COST OF MATERIALS CONSUMED

	Rs.in '000s	
	2016-17	2015-16
Cost of Materials Consumed		
Opening Stock	3293.62	3687.00
Add: Purchases	1703.65	3598.72
	<u>4997.27</u>	<u>7285.73</u>
Less: Closing Stock	2734.50	3293.62
	<u>2262.77</u>	<u>3992.10</u>
Details of Raw Materials consumed		
Granite	833.48	1545.97
Slate	648.40	768.13
Marble	72.52	7.09
Semi Precious	708.38	1670.92
	<u>2262.77</u>	<u>3992.10</u>

NOTE 21 : PURCHASES OF STOCK IN TRADE

	Rs.in '000s	
	2016-17	2015-16
Purchases of Stock in Trade		
Granite	718.37	1072.54
Marble	611969.82	478544.43
Mosaics	113.71	1111.20
Sealants	1.65	32.23
Semi Precious	0.00	0.00
Slate	714.47	1395.74
Other Misc.Items	0.00	0.00
Total	<u>613518.02</u>	<u>482156.14</u>

NOTE 22 : CHANGES IN INVENTORY OF FINISHED GOODS

	Rs.in '000s	
	2016-17	2015-16
Closing Stock:		
Finished Goods - Manufactured	4399.22	3820.93
Finished Goods - Traded	219968.93	241636.90
	<u>224368.14</u>	<u>245457.83</u>
Less: Opening Stock:		
Finished Goods - Manufactured	3820.93	2722.83
Finished Goods - Traded	241636.90	252986.11
	<u>245457.83</u>	<u>255708.93</u>
Differential Excise Duty on Opening and Closing stock of Finished Goods	0.00	0.00
	<u>21089.69</u>	<u>10251.10</u>

Details of Inventory

Class of Goods	Rs.in '000s					
	Sales	Manufactured Goods		Traded Goods		
		Opening Stock	Closing Stock	Opening Stock	Closing Stock	
Granite	2274.10	185.43	185.43	1901.47	2035.39	
Marble	703013.28	—	—	235096.60	213388.67	
Mosaics	1356.67	—	145.34	1094.65	652.08	
Sealants	14.19	—	—	1329.10	1322.89	
Semi Precious	4775.47	3635.50	3709.93	1553.25	1322.62	
Slate	1190.39	—	358.52	661.83	1247.26	
TOTAL	<u>712624.11</u>	<u>3820.93</u>	<u>4399.22</u>	<u>241636.90</u>	<u>219968.93</u>	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**NOTE 23 : EMPLOYEE BENEFITS EXPENSE**

Rs.in '000s

	2016-17	2015-16
Salaries, Wages, Bonus, and Allowances	19974.75	22361.81
Company's Contribution to Provident, Gratuity and Other Funds (Refer Note (a) below)	292.33	324.80
Welfare Expenses	270.23	262.88
	20537.31	22949.48

(a) **Employee Benefits**

a. During the year, the company has recognised the following in the Statement of Profit & Loss.

(i) Defined benefit plans:	Gratuity*		Pension#	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	Unfunded (Rs. In '000s)		Unfunded (Rs.in '000s)	
Service Cost	299.82	282.92	-	-
Interest Cost	222.00	212.09	-	-
Expected return on plan assets	0.00	0.00	-	-
Net Actuarial (Gain) / Loss	-229.50	-170.20	-	-
Net Cost	292.33	324.80	-	-
* included in "contribution to Provident, Gratuity & Other Funds" (Refer Note 23)				
# included in "Salaries, Wages, Bonus & Allowances" (Refer Note 23)				
b. Amount recognised in the Balance Sheet				
Present value of defined benefit obligation	3268.21	2975.89	-	-
Fair value of plan assets	0.00	0.00	-	-
Net asset / (liability) as at 31st March, 17 recognised in the Balance Sheet	-3268.21	-2975.89	-	-
c. Balance Sheet reconciliation				
Opening net asset / (liability)	-2975.89	-2651.09	-	-
Expenses as above	-292.33	-324.80	-	-
Employers contribution	0.00	0.00	-	-
Closing net asset / (liability) recognised in the Balance Sheet	-3268.21	-2975.89	-	-
d. The principal actuarial assumptions				
Discount rate	6.69% p.a.	7.46% p.a.	N.A.	N.A.
Salary escalation rate:				
Staff	4% p.a.	4% p.a.	N.A.	N.A.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

e. **Amounts for the current and previous periods are as follows:**

Defined Benefit Obligation	3268.21	2975.89	0	0
Plan Assets	0.00	0.00	0	0
Surplus / (Deficit)	-3268.21	-2975.89	0	0
Experience adjustments on plan liabilities	Not available *			
Experience adjustments on plan assets	Not available *			

* The management has relied on the overall actuarial valuation conducted by the actuary.

However, experience adjustments on plan liabilities and assets are not readily available and hence not disclosed.

NOTE 24 : FINANCE COSTS

Rs.in '000s

	2016-17	2015-16
Interest	18918.76	16300.94
Bank Charges	2464.25	1614.23
	21383.01	17915.16

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

NOTE 25 : DEPRECIATION & AMORTISATION EXPENSE

Rs.in '000s

	2016-17	2015-16
Depreciation on tangible assets	6614.10	7098.49
Amortisation on intangible assets	0.00	0.00
	<u>6614.10</u>	<u>7098.49</u>

NOTE 26 : OTHER EXPENSES

Rs.in '000s

	2016-17	2015-16
Tools and Stores Consumed	472.85	803.97
Packing Materials consumed	24.14	35.99
Power and Fuel	1643.30	1761.38
Repairs and Renewals:		
Buildings / Premises	211.97	244.01
Plant and Machinery	56.64	58.45
Other Assets		246.48
Insurance	383.52	398.71
Rent	7027.53	7973.90
Printing and Stationery	334.61	419.48
Travelling & Conveyance	5496.84	4546.55
Postage & Courier Expenses	36.47	71.16
Telephone Expenses	1134.57	1108.25
Legal & Professional Charges	3740.99	3975.18
Auditors' Remuneration:		
As Auditors:		
Audit fees	241.50	241.50
Reimbursement of Expenses etc.	0.00	0.00
	<u>241.50</u>	<u>241.50</u>
VAT & CST Paid	12126.97	15179.05
Service Tax	40.38	68.07
Bad Debts	4932.09	3409.87
Entertainment Expenses	513.67	562.88
Vehicle Expenses	335.95	551.25
Directors' Sitting Fees	73.00	73.00
Freight and Forwarding (Net)	776.24	1267.06
Net Loss on Foreign Currency transactions	409.89	0.00
Loss on fixed assets sold / discarded (Net)	434.97	1198.45
Miscellaneous Expenses	2687.78	2570.94
	<u>43135.88</u>	<u>46765.58</u>

NOTE 27 : OTHER ADDITIONAL NOTES / INFORMATION

- A Contingent Liability not provided for:
Demands/claims by various Government Authorities not acknowledged as debts and contested by the company:
- Income Tax Rs.8.25 lakhs (Prev.Yr. Rs. 1.84 lakhs) [Appeal filed with the C.I.T.(Appeals), Mumbai for Assessment Year 2011-12]
 - Income Tax Rs.1.62 lakhs (Prev.Yr. Rs. 1.62 lakhs) [Appeal filed with the C.I.T.(Appeals), Mumbai for Assessment Year 2013-14]
 - Income Tax Rs.1.28 lakhs (Prev.Yr. Rs. Nil) [Appeal filed with the C.I.T.(Appeals), Mumbai for Assessment Year 2014-15]
 - Maharashtra VAT Rs. 357.06 lacs (Prev. Yr. Rs.357.06 lacs) [Appeal filed with Deputy Commissioner of Sales Tax (Appeals) for the Financial year 2008-2009
- It is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above pending matters.
- B The Company has exposure to currency fluctuations. It does not hedge its position as the management feels it does not have any material impact as the company is importer as well as exporter of goods and services.
- C Under Micro, Small and Medium Enterprise Development Act, 2006; (MSMED) which came in to force from October 2, 2006, certain disclosures are to be made relating to Micro, Small and Medium Enterprises. On the basis of information available with the company, no such parties are being identified, hence no disclosure have been made in accounts. However, in view of the management, the impact of interest if any, that may be payable in accordance to the provisions of this act is not expected to be material.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Re-Paid	26856.00	53873.00	—	—	—	—	100.00	—
DEPOSITS:								
Given	—	—	—	—	—	—	1000.00	1000.00
GUARANTEES:								
Given	—	—	—	—	—	—	—	—
Taken	276000.00	230000.00	—	—	138000.00	—	—	—

Disclosures pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & section 186 of the Companies Act, 2013

Transactions with Subsidiary Companies

(Rs.in'000s)

	Subsidiaries	
	2016-17	2015-16
SALES :		
Goods and Material	—	1007.10
INVESTMENTS :	1609.51	1609.51
OUTSTANDINGS :		
Payable	—	—
Receivable	—	1802.03

An amount of Rs.18.02 lakhs receivable from Stone Source GB Ltd., UK (Step down Subsidiary) has been written off as Bad debts since the said company has applied for striking off the name from the Register of Companies, UK.

(Rs.in'000s)

Sr. No.	Nature of Transaction	Key Management Personnel		Subsidiaries		Associate Concern	Relatives of Key Management personnel and Enterprise owned and significantly influenced by Key Management personnel or their relatives			
		Milan Khakhar	Prakash Khakhar	Granitex UK Ltd., U.K.	Stone Source GB Ltd., U.K.		Milan Marble & Tiles	Vasumati Khakhar	Jeenoo Khakhar	Shraddha Khakhar
1	Payments to & provision for :									
a)	Director's Remuneration & Allowance	3630.00 (3630.00)	3630.00 (3630.00)	—	—	—	—	—	480.00 (480.00)	480.00 (480.00)
b)	Rent	—	—	—	—	—	240.00 (240.00)	—	—	—
c)	Director's Fees	—	—	—	—	—	—	15.00 (15.00)	—	—
2	a) Loans Taken	20425.00 (47050.00)	1612.00 (6600.00)	—	—	—	—	—	—	—
b)	Loans refunded	24142.00 (47813.00)	2714.00 (6060.00)	—	—	—	—	100.00	—	—
c)	Loans Payable	11180.00 (14897.00)	3608.00 (4710.00)	—	—	—	—	—	—	—
3	Purchase of Goods	—	—	—	—	16502.42 (34619.33)	—	—	—	—
4	Sale of Goods	—	—	—	—	—	—	—	—	—
5	Deposits Receivable as on 31st March	0.00	0.00	—	—	—	1000.00 (1000.00)	—	—	—

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

6	Outstanding Payable as on 31st March	365.50 (378.50)	596.00 (687.00)	— —	— —	— —	30.10 —	84.00 (69.00)	— (109.50)	— (155.00)
7	Outstanding Receivable as on 31st March	— —	— —	— —	— —	12923.96 (9301.38)	— —	— —	— —	— —
8	Outstanding Guarantee taken as on 31st March	138000.00 (115000.00)	138000.00 (115000.00)	— —	— —	138000.00 —	— —	— —	— —	— —

(figures in Brackets relate to previous year)

Disclosures pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & section 186 of the Companies Act, 2013

	SUBSIDIARIES			
	Granitexx UK Ltd., U.K.		Stone Source GB Ltd., U.K.	
	2016-17	2015-16	2016-17	(Rs.in '000s) 2015-16
SALES :				
Goods and Material	—	—	—	1007.10
INVESTMENTS :	1609.51 (1609.51)	1609.51 (1609.51)	— (—)	— (—)
LOANS TO SUBSIDIARIES	— (—)	— (—)	— (—)	— (—)
OUTSTANDINGS :				
Receivable	0 (—)	0 (792.81)	— (1802.03)	1802.03 (2532.95)

(figures in Brackets denote Maximum amount Outstanding)

F Remuneration to Directors1) **Nature of transactions:**

Remuneration to Directors	31/03/2017	31/03/2016
Remuneration	7200.00	7200.00
Perquisites	60.00	60.00

No amount has been provided as doubtful debts or advances / written off or written back in the year in respect of debts due from / to above related party.

G Segment Information:

The Company is primarily engaged in the business of natural stones, building material and allied building activities which is considered as a single segment.

H Remuneration to Auditors

	(Rs.in '000s)	
Particulars	31/03/2017	31/03/2016
Audit Fees (inclusive of Service Tax)	241.50	241.50
Total	241.50	241.50

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

I Value of Raw Materials and Spare Parts consumed and percentage to the total:

1. Raw Materials	2016-17		2015-16	
	Rs.in '000s	% to Total	Rs.in '000s	% to Total
Indigenous	2262.77	100	3992.10	100
Imported	0.00	-	0.00	-
	2262.77	100	3992.10	100
2. Stores & Consumables				
Indigenous	472.85	100	803.97	100
Imported	0.00	-	0.00	-
	472.85	100	803.97	100

J Value of Imports on CIF Basis:

	2016-17	2015-16
	Rs. in '000s	Rs. in '000s
1. Finished Products	32478.05	28852.42

K Expenditure in Foreign Currency (on cash basis):

1. Travelling	2928.14	1841.49
2. Trading Goods Imports	32478.05	28852.42

L Earnings in Foreign Currency -

1. Export of goods on F.O.B. basis (incl. Deemed Export)	192.51	1405.79
2. Others	2649.65	6407.23

M Lease :

Disclosure as required by Accounting Standard 19 (AS-19) issued by the The Institute of Chartered Accountants of India are as follows :

Operating Lease :

The Company's significant leasing arrangements are in respect of office premises, warehouse and showrooms taken on lease. The arrangements are generally not Non-Cancellable and range from 33 months to 60 months by giving 1 month to 3 months notice for termination of lease. Under these agreements, generally refundable interest-free deposits have been given. In respect of above arrangement, lease rentals payable are recognised in the Statement of Profit and Loss for the year. Total of Minimum Lease payment for a period is :

(Rupees in '000s)

Particulars	March 31, 2017	March 31, 2016
Not Later than One Year	607	599
Later than One year and not later than five year	NIL	NIL
Later than Five years	NIL	NIL

N Figures of previous year have been regrouped or rearranged wherever necessary

Signatures to the Notes to the Financial Statements which form an integral part of these Financial Statements.

For and on Behalf of the Board

For ASHAR & CO.

Chartered Accountants
(ICAI Regn.No.129159W)

YOGESH ASHAR

Partner
(Mem.No.046259)

MUMBAI :

DATED : 29th May, 2017

M. B. KHAKHAR

Chairman & Managing Director
(DIN: 00394065)

M.D.DEWANI

Chief Financial Officer

P. B. KHAKHAR

Joint Managing Director
(DIN: 00394135)

H.D.VALIA

Company Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLID STONE COMPANY LIMITED**Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of **SOLID STONE COMPANY LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries and associate (collectively referred to as the "Company" or "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 (hereinafter referred to as "the Act") with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statements, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the period ended on that date.

Other Matters

8. We did not audit the financial statements of subsidiaries included in the consolidated quarterly financial results and consolidated year to date results, whose consolidated interim financial statements reflect total assets of Rs. 8.82 Lakhs (Previous Year Rs.37.47 Lakhs) as at 31st March, 2017 (year to date) as well as the total revenue of Rs. Rs. 5.02 Lakhs (Previous Year 60.36 Lacs) for the period ending 31st March, 2017. These interim financial statements and other financial information have not been audited as there is no legal requirement to get their books audited by the local law prevalent in the countries they are based. However they have been compiled by Chartered Certified Accountants whose report(s) has (have) been furnished to us, and our opinion on the quarterly financial results and the year to date results, to the extent they have been derived from such interim financial statements is based solely on the report of such other auditors.

9. Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report, to the extent applicable that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - b. In our opinion, proper books of account, as required by the law relating to preparation of the aforesaid Consolidated Financial Statements, have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account, maintained for the purpose of preparation of the Consolidated Financial Statements.
 - d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the report compiled by Chartered Certified Accountants, in respect of entities data compiled by them, and for all the entities incorporated in India, none of the directors of the Holding Company and subsidiaries incorporated in India, is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Group and the operating effectiveness of such control, refer to our separate report in "Annexure A"; and
 - g. With respect to other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies ("Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 27A to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to Investor Education and Protection Fund by the subsidiary companies incorporated in India.
 - iv. The Group has provided requisite disclosures in its Standalone Financial Statements as regards holding and dealing in Specified Bank Notes (SBN) as defined in the notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and relying on management representation, we report that the disclosures are in accordance with the books of accounts maintained by the Group and as produced to us by the Management.

For Ashar & Co.
Chartered Accountants
FRN No. 129159W

Yogesh Ashar
Partner
Mem. No. 046259

Place : Mumbai
Date : 29th May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SOLID STONE COMPANY LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of **SOLID STONE COMPANY LIMITED** ("the Holding Company") and its subsidiary companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The Respective Board of Directors of the Holding Company and its subsidiary, incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary, incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Ashar & Co.
Chartered Accountants
FRN No. 129159W

Yogesh Ashar
Partner
Mem. No. 046259
Place : Mumbai
Date : 29th May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

Rs.in '000s

	Note	As At March 31, 2017	As At March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	53800.00	53800.00
Reserves & Surplus	4	139870.75	130542.80
		<u>193670.75</u>	<u>184342.80</u>
Non-Current Liabilities			
Long-Term Borrowings	5	9386.93	9158.58
Long-Term Provisions	6	3124.38	2847.45
Deferred Tax Liability	11	0.00	0.00
		<u>12511.32</u>	<u>12006.03</u>
Current Liabilities			
Short-Term Borrowings	7	147618.49	121222.62
Trade Payables	8	19597.37	42732.81
Other Current Liabilities	9	118953.88	135688.73
Short-Term Provisions	6	2426.33	2021.78
		<u>288596.07</u>	<u>301665.94</u>
TOTAL		<u><u>494778.13</u></u>	<u><u>498014.78</u></u>
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		20495.39	27560.52
Intangible Assets		0.00	0.00
		<u>20495.40</u>	<u>27560.52</u>
Deferred Tax Asset	11	2091.18	708.54
Non-Current Investments	12	10169.14	10286.78
Long-Term Loans & Advances	13	2897.22	4169.44
Other Non-Current Assets	14	0.00	0.00
		<u>35652.93</u>	<u>42725.28</u>
Current Assets			
Inventories	15	227201.27	249307.43
Trade Receivables	16	120686.95	107846.58
Cash & Bank Balances	17	4580.84	2337.34
Short-Term Loans & Advances	13	106580.66	95786.29
Other Current Assets	14	75.48	11.85
		<u>459125.20</u>	<u>455289.49</u>
TOTAL		<u><u>494778.13</u></u>	<u><u>498014.78</u></u>
Significant Accounting Policies	2	-	-

The Notes are an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

For ASHAR & CO.

Chartered Accountants
(ICAI Regn.No.129159W)

YOGESH ASHAR

Partner
(Mem.No.046259)

MUMBAI :

DATED : 29th May, 2017

For and on Behalf of the Board

M. B. KHAKHAR

Chairman & Managing Director
(DIN: 00394065)

P. B. KHAKHAR

Joint Managing Director
(DIN: 00394135)

M.D.DEWANI

Chief Financial Officer

H.D.VALIA

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Rs.in '000s

	Note	As At March 31, 2017	As At March 31, 2016
INCOME			
Revenue from operations (Gross)	18	739410.10	604183.29
Less:- Excise Duty		0.00	0.00
Revenue from operations (Net)		739410.10	604183.29
Other income	19	849.64	999.31
Credit on account of change in depreciation method		0.00	0.00
Total Revenue		740259.74	605182.60
EXPENSES			
Cost of materials consumed	20	2262.77	3992.10
Purchases of Stock in Trade	21	613623.89	483841.08
Changes in Inventory	22	21604.40	11665.27
Employee benefits expense	23	20537.31	23388.79
Finance costs	24	21392.47	17968.98
Depreciation & Amortisation expense	25	6674.03	7169.62
Other expenses	26	41775.13	49067.66
Total Expenses		727870.00	597093.51
PROFIT/(LOSS) BEFORE TAX		12389.74	8089.10
Tax Expense:			
Current tax		5300.00	4900.00
Deferred tax		-1382.64	-1794.87
Short/(Excess) Provision of Tax written Off /(back)		43.71	7.39
		3961.08	3112.52
Add / (Less):			
Share of Profit / (Loss) of Minority Interest			
Share of Profit / (Loss) of Associate Company		-117.64	96.15
PROFIT/(LOSS) FOR THE YEAR		8311.02	5072.73
Earnings per equity share:	27 (D)		
Basic & diluted		1.54	0.94

Significant Accounting Policies

2

The Notes are an integral part of these financial statements

This is the statement of Profit & Loss referred to in our report of even date

For ASHAR & CO.Chartered Accountants
(ICAI Regn.No.129159W)**YOGESH ASHAR**Partner
(Mem.No.046259)

MUMBAI :

DATED : 29th May, 2017

For and on Behalf of the Board**M. B. KHAKHAR**Chairman & Managing Director
(DIN: 00394065)**M.D.DEWANI**

Chief Financial Officer

P. B. KHAKHARJoint Managing Director
(DIN: 00394135)**H.D.VALIA**

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Rs.in '000s

	Note	As At March 31, 2017	As At March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES :			
NET PROFIT / (LOSS) BEFORE TAX		12389.74	8089.10
Adjustment for :			
Depreciation	6674.03	7169.62	
Preliminary Expenses written off	9.44	9.44	
Interest Paid	18918.76	16300.94	
Interest & Dividend Income	-80.44	-9.03	
Loss / (Gain) on fixed assets sold/discarded (Net)	434.97	1198.45	
Loss / (Gain) on Investments sold/discarded (Net)	0.00	0.00	24669.42
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		38346.50	32758.52
Decrease / (increase) in Trade Receivables, Short / Long			
Term Loans & Advances, Other Non-Current / Current Assets	-22435.57	-1513.59	
Decrease / (increase) in Inventories	22106.16	12085.98	
Increase / (decrease) in Trade Payable, Long Term / Current			
Liabilities & Long / Short Term Provisions.	-37574.73	-29482.12	-18909.73
CASH GENERATED FROM OPERATIONS		442.36	13848.79
Direct Taxes paid		-4954.56	-6928.25
NET CASH FROM OPERATING ACTIVITIES		-4512.20	6920.54
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Tangible / Intangible Assets, Capital Work in			
Progress & Capital Advances	-77.38	-288.76	
Increase in Investments	0.00	0.00	
Proceeds from sale of Fixed Assets	33.50	0.00	
Interest & Dividend income	80.44	9.03	
NET CASH USED IN INVESTING ACTIVITIES		36.56	-279.73
C. CASH FLOW FROM FINANCING ACTIVITIES			
(Repayments) / proceeds from Borrowings (Net)	26395.87	494.37	
Proceeds from Term Loan	-1725.28	7280.17	
Foreign Currency Translation Reserve	1016.92	-197.06	
Interest paid	-18918.76	-16300.94	
Dividend and Corporate Dividend Tax	-49.61	-128.84	
NET CASH FROM FINANCING ACTIVITIES		6719.14	-8852.30
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2243.50	-2211.48
CASH AND CASH EQUIVALENTS AS AT 31.3.2016		2337.34	4548.82
CASH AND CASH EQUIVALENTS AS AT 31.3.2017		4580.84	2337.34

As per our attached Report of even date

For and on Behalf of the Board

For ASHAR & CO.

Chartered Accountants
(ICAI Regn.No.129159W)

YOGESH ASHAR

Partner
(Mem.No.046259)MUMBAI :
DATED : 29th May, 2017M. B. KHAKHAR
Chairman & Managing Director
(DIN: 00394065)M.D.DEWANI
Chief Financial OfficerP. B. KHAKHAR
Joint Managing Director
(DIN: 00394135)H.D.VALIA
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**NOTE 1 : NATURE OF OPERATIONS**

Solid Stone Company Limited is primarily engaged in the business of natural stones, building materials and allied building business activities. The company presently has manufacturing facilities in Palghar and retail outlets at Mumbai and Delhi. It also operated a Retail Store in Leicester (U.K.) through its subsidiary Stone Source GB Limited wherein it is 51% shareholder through its 100% subsidiary Granitexx UK Limited till December, 2016. Stone Source GB Limited is in the process of applying for striking off its name from the Register of Companies in U.K. Granitexx UK Limited is engaged in trading of natural stones and building materials as well as engaged in the services to act as facilitator to procure natural stones and building materials. Solid Stone Company Limited also has an associate named Global Instile Solid Industries Limited wherein Solid Stone Company Limited holds 29.88% of its Equity Share Capital. Global Instile Solid Industries Limited is manufacturer and dealer in natural stones and products thereof.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES**Basis of Accounting**

The Financial Statements are prepared in accordance with the generally accepted accounting principles in India under the historical cost convention (except for revaluation of Plant and Machinery), on an accrual basis of accounting and in accordance with generally accepted accounting principles in India. The financial statements have been prepared to comply in all material aspects with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act, to the extent applicable.

All assets and liabilities have been classified as current or non-current as per criteria specified in the schedule III to the Companies Act, 2013.

Change in accounting policy*Exchange Rate differences:*

Monetary assets and liabilities in foreign currency, which were outstanding as at the year end were translated at the year end at the closing exchange rate and the resultant exchange differences were recognised in the statement of profit & loss upto 31st March, 2017.

Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised.

Revenue Recognition

All the revenues are accounted on accrual basis except dividend income which is recognised when the shareholders' or unitholders' right to receive payment is established

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Principles of consolidation :

The consolidated financial statements include the financial statements of Solid Stone Company Limited (the parent company) and its subsidiaries, Granitexx UK Limited, U.K. and Stone Source GB Limited, U.K. The consolidated financial statements have been prepared on the basis of AS 21 - "Consolidated Financial Statements", and profit of associate concern Global Instile Solid Industries Limited on the basis of AS 23 - "Accounting for investment in associates in consolidated financial statements", issued by the ICAI.

Subsidiaries :

The excess of cost to the parent company of its investment in the subsidiaries over its portion of equity in the subsidiaries at the respective dates on which investment in such subsidiaries was made is recognised in the financial statements as goodwill. The parent company's portion of equity in such subsidiaries is determined on the basis of book value of assets and liabilities as per the financial statements of the subsidiaries as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant transactions.

The financial statements of the parent company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating Intra - group balances/transactions and resulting unrealized profits in full. Unrealized losses resulting from Intra - group transactions are also eliminated except to the extent that recoverable value of related assets is lower than their cost to the group.

Consolidated financial statements are prepared using uniform accounting policies for transactions and other events in similar circumstances except where it is not practicable to do so. Minority interest's share of net loss is adjusted against the income to arrive at the net income attributable to shareholders. Minority interest's share of net assets is to be presented separately in the balance sheet. However, during the year under review, the losses applicable to the minority exceeds the minority interest and hence the excess is adjusted against the minority interest. Consequently, Minority Interest does not appear in the Consolidated Balance Sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

The following subsidiary companies are considered in the consolidated financial statements :

Sr. No.	Name of Subsidiary Company	Country of Incorporation	% of holding as at March 31, 2017
1.	Granitexx UK Limited	United Kingdom	100%
2.	Stone Source GB Limited	United Kingdom	51% Equity held by Granitexx UK Ltd (100% subsidiary)

The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013.

Associate

The following associate is considered in the consolidated financial statements

Sr. No.	Name of Subsidiary Company	Country of Incorporation	% of holding as at March 31, 2017
1.	Global Instile Solid Industries Limited	India	29.88%

The consolidated financial statements have been prepared in accordance with AS 23 - "Accounting for investment in associates in consolidated financial statements", issued by the ICAI.

Sales

Sales and Purchase of goods includes VAT, Sales tax. Sales of Services is net of service tax if any.

Fixed Assets

Tangible Fixed Assets are stated at cost or revalued amounts, as the case may be, less accumulated depreciation and provision for impairment, if any. The cost includes expenditure incurred in the acquisition and construction / installation and other related expenses in bringing the asset to working condition for its intended use. In respect of qualifying assets, related pre-operational expenses including borrowing costs are also capitalised. In case of revaluation of fixed assets, the original cost as written up by the valuer, is considered in the account and the differential amount is transferred to revaluation reserve.

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and provision for impairment, if any.

Depreciation

Depreciation on Tangible and Intangible Assets has been provided on Straight Line Method based on the revised useful life of the assets and in the manner prescribed in Schedule II to the Companies Act, 2013 on prorata basis from the date of additions and/or disposal.

In the following foreign subsidiaries, depreciation is provided on Written Down Value method at rates which are higher than the rates given in Schedule II to the Companies Act, 2013:

Assets	Stone Source GB Limited
Plant & Equipment	25%

Borrowing costs

Interest and other borrowing costs, attributable to the acquisition of or construction of qualifying assets till such time the assets are substantially ready for their intended use, are capitalised. All other borrowing costs are charged to revenue.

Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and "Value in use" of the assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value at the weighted average cost of capital.

Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost or fair value. Long-term investments are carried at cost. Investment in associate companies are valued at cost plus profit of the associate company attributable to the holding of its shares by Solid Stone Company Limited. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Foreign Currency Transactions**Initial Recognition**

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**Subsequent Recognition**

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

Solid Stone Group translates foreign currency transactions into Indian Rupees at the rate of exchange prevailing at transaction date. Monetary assets and liabilities denominated in foreign currency are translated into Indian Rupees at the rate of exchange prevailing at the Balance Sheet date. Exchange differences arising on the settlement of monetary items or on reporting the Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations. Resulting exchange differences are disclosed under the foreign currency translation reserve.

Forward Exchange Contracts

The premium or discount arising at the inception of forward exchange contract entered into to hedge an existing asset / liability, is amortised as expense or income over the life of the contract. Exchange difference on such a contract is recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are mark-to-market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

Inventory

- (i) Inventory is valued as follows:
Stocks of Raw Materials, Stores and Spare parts are valued at cost. Finished Goods and Stock of Traded Goods are valued a lower of cost or net realisable value
- (ii) Cost of Finished Goods and Stock in Process is determined by considering materials, labour and other related direct expenses.

Customs Duty and Excise Duty

Customs Duty and Excise Duty have been accounted for on the basis of both payments made in respect of goods cleared as well as provision made for goods lying in bonded warehouse. Such provision is included in the valuation of closing stocks of respective materials and goods.

Retirement & other employee benefits

Short term employee benefits are accounted in the period during which the services have been rendered.

The Company's liability towards Gratuity, Pension to certain categories of employees and long term employee Compensated Leave Encashment being defined benefit plans are accounted for based on Actuarial valuation done at the year end using the Projected Unit Credit Method. Actuarial gains and losses are charged to Statement of Profit & Loss.

Income Taxes

Tax expense comprises both current and deferred taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods are recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has carry forward unabsorbed depreciation and tax losses, deferred Tax assets are recognised only to the extent there is a virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Segment Reporting Policies

Identification of Segments:

The Company is primarily engaged in the business of natural stones, building material and allied building activities which is considered as a single segment.

Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

NOTE 3: SHARE CAPITAL

Rs.in '000s

	As at March 31, 2017	As at March 31, 2016
Authorised		
75,00,000 Equity Shares of Rs. 10/- each	75000.00	75000.00
	<u>75000.00</u>	<u>75000.00</u>
Issued, Subscribed and Fully Paid-up		
53,80,000 Equity Shares of Rs. 10/- each	53800.00	53800.00
	<u>53800.00</u>	<u>53800.00</u>

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Nos.	As at March 31, 2017 Rs. In '000	Nos.	As at March 31, 2016 Rs. In '000
		Equity shares at the beginning of the period		5380000
Issued during the period	-	0.00	-	0.00
Equity shares at the end of the period	5380000	53800.00	5380000	53800.00

(a) Rights, preferences and restrictions attached to shares

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Shareholders holding more than 5 percent of the equity shares

Name of Shareholder	March 31, 2017		March 31, 2016	
	No. of Shares held	% to Total Shareholders	No. of Shares held	% to Total Shareholders
Prakash Bhagwandas Khakhar	1378895	25.63	1378895	25.63
Milan Bhagwandas Khakhar	808415	15.02	808015	15.02
Jeenoo Milan Khakhar	699300	13.00	699300	13.00
Vasumati Bhagwandas Khakhar	682190	12.68	682190	12.68

NOTE 4: RESERVES AND SURPLUS

Rs.in '000s

	March 31, 2017	March 31, 2016
Capital Subsidy		
As per last Account	954.90	954.90
Capital Reserve		
As per last Account	3450.00	3450.00
Securities Premium Reserve		
As per last Account	52400.00	52400.00
General Reserve		
As per last Account	500.00	500.00
Add: Transfer from Statement of Profit & Loss	<u>0.00</u>	<u>0.00</u>
	500.00	500.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**Surplus in the statement of profit and loss**

Balance as per last financial statement	73237.90	67452.54
Profit / loss for the year	8311.02	5072.73
Less:- Appropriations		
Proposed Dividend	0.00	0.00
Corporate Tax on Dividend	0.00	0.00
Foreign Currency Translation Reserve	-1016.92	-712.64
Transfer to General Reserve	0.00	0.00
	<hr/>	<hr/>
Closing Balance	82565.85	73237.90
	<hr/> 139870.75 <hr/>	<hr/> 130542.80 <hr/>

NOTE 5: LONG-TERM BORROWINGS

	Non-current		Current maturities	
	Rs.in '000s		Rs.in '000s	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
<u>Secured</u>				
Term Loans:				
From a Bank	0.00	0.00	0.00	0.00
Foreign Currency Loan from a Bank	0.00	0.00	0.00	0.00
Vehicle Loans: (Refer Note (a) below)	1053.16	273.21	792.10	2236.44
<u>Unsecured</u>				
Loans from Banks and NBFC	8333.78	8885.37	8641.70	9151.00
Amounts disclosed under the head 'Other Current Liabilities' (Note 9)	0.00	0.00	-9433.80	-11387.44
	<hr/> 9386.93 <hr/>	<hr/> 9158.58 <hr/>	<hr/> 0.00 <hr/>	<hr/> 0.00 <hr/>

a. Term Loan :

Vehicle loan is secured by a specific charge on respective vehicle purchased. Details of each loan taken are stated below :-

Name of the Bank/NBFC	No. of Instalments	Date of Maturity	Rate of Interest	Instalments Amount
Daimler Financial Services India P. Ltd	36	13-Jun-19	11.76%	66677
Volkswagen Finance Private Limited	60	20-Jan-19	9.49%	13541

b. Unsecured Loan

Kotak Mahindra bank Ltd.	36	10-May-19	18.50%	273028
Bajaj Finance Ltd.	36	5-Jun-17	19.50%	130475
Bajaj Finance Ltd.	36	5-Aug-18	19.75%	37407
Edelweiss Retail Finance Ltd.	60	5-Mar-21	19.00%	103763
Magma Fincorp Ltd.	24	7-Dec-17	20.00%	204516
Religare Finvest Ltd.	24	10-Nov-17	18.00%	101070
Tata Capital Financial Services P.Ltd.	36	15-Jul-18	18.48%	144610
Shriram City Union Finance Ltd.	36	5-May-19	19.00%	109969

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

NOTE 6 : PROVISIONS

	March 31, 2017	Long-Term Rs.in '000s March 31, 2016	March 31, 2017	Short-Term Rs.in '000s March 31, 2016
Provision for employee benefits				
Gratuity	3124.38	2847.45	143.83	128.44
Tax (Net of advance Tax paid)	0.00	0.00	2282.50	1893.34
Proposed Dividend	0.00	0.00	0.00	0.00
Corporate Tax on Dividend	0.00	0.00	0.00	0.00
	<u>3124.38</u>	<u>2847.45</u>	<u>2426.33</u>	<u>2021.78</u>

NOTE 7 : SHORT-TERM BORROWINGS

	March 31, 2017	Rs.in '000s March 31, 2016
<u>Secured</u>		
Working Capital Facilities from Banks	129111.64	97560.34
<u>Unsecured</u>		
Loans from Directors and Related Parties	18506.85	23662.29
	<u>147618.49</u>	<u>121222.62</u>

Nature of security :

Working Capital facilities from banks are secured on pari passu basis, by way of hypothecation of inventories, book debts and receivables both present and future and further secured by way of equitable mortgage of company's factory and machinery and equipments as well as equitable mortgage over factory and machinery and equipments of M/s. Global Instile Solid Industries Limited (Related party).

NOTE 8 : TRADE PAYABLES

	March 31, 2017	Rs.in '000s March 31, 2016
Outstanding Dues of Micro and Small Enterprises (Refer Note 27 (C))	0.00	0.00
Outstanding Dues of Creditors other than Micro and Small Enterprises	19597.37	42732.81
	<u>19597.37</u>	<u>42732.81</u>

NOTE 9 : OTHER CURRENT LIABILITIES

	March 31, 2017	Rs.in '000s March 31, 2016
Current maturities of long term borrowings (Note 5)	9433.80	11387.44
Security Deposit	98407.88	112771.35
Statutory dues :		
Service Tax	0.00	0.00
Withholding Taxes	543.75	284.27
Others - VAT and Central Sales Tax	2059.38	2345.76
Other payables:		
Liabilities for expenses	8064.95	8406.19
Unclaimed Dividend	444.13	493.73
	<u>118953.88</u>	<u>135688.73</u>

There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**NOTE 10 : FIXED ASSETS**

Rs.in '000s

Nature of Fixed Assets	GROSS BLOCK					DEPRECIATION				NETBLOCK		
	Cost/ Value as at 01/04/2016	Additions	Deductions / Adjustments	Foreign Currency Translation	Cost/ Value as at 31/03/2017	Upto 31/03/2016	Adjustment due to change in method from WDV to SLM**	Provided during the year	Deduct- ions/ Adjust- ments	Upto 31/03/2017	As at 31/03/2017	As at 31/03/2016
Tangible Assets												
Land	141.04 (141.04)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	141.04 (141.04)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	141.04 (141.04)	141.04 (141.04)
Buildings	4515.38 (4515.38)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	4515.38 (4515.38)	2158.14 (2012.80)	0.00 (0.00)	144.45 (145.34)	0.00 (0.00)	2302.60 (2158.14)	2212.78 (2357.24)	2357.24 (2502.58)
Plant & Machinery	10593.75 (10147.10)	0.00 (0.00)	0.00 (463.05)	0.00 (909.70)	10593.75 (10593.75)	6705.04 (6402.10)	0.00 (0.00)	450.62 (493.47)	0.00 (190.53)	7155.67 (6705.04)	3438.08 (3888.71)	3888.71 (3745.01)
Furniture&Fixtures	26860.78 (29407.29)	0.00 (0.00)	0.00 (2546.51)	0.00 (0.00)	26860.78 (26860.78)	17243.49 (14958.49)	0.00 (0.00)	3613.95 (3905.58)	0.00 (1620.58)	20857.44 (17243.49)	6003.34 (9617.30)	9617.30 (14448.81)
Computer	2532.80 (2461.69)	0.00 (71.11)	0.00 (0.00)	0.00 (0.00)	2532.80 (2532.80)	2263.86 (2002.11)	0.00 (0.00)	218.42 (261.75)	0.00 (0.00)	2482.29 (2263.86)	50.52 (268.94)	268.94 (459.59)
Office Equipment	5752.00 (5534.35)	77.38 (217.65)	876.27 (0.00)	0.00 (0.00)	4953.11 (5752.00)	2758.53 (2361.18)	0.00 (0.00)	423.64 (397.35)	407.79 (0.00)	2774.37 (2758.53)	2178.74 (2993.47)	2993.47 (3173.17)
Vehicles	18148.25 (18148.25)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	18148.25 (18148.25)	11367.26 (9538.68)	0.00 (0.00)	1685.41 (1828.58)	0.00 (0.00)	13052.67 (11367.26)	5095.58 (6780.99)	6780.99 (8609.57)
Speed Boat	1919.92 (1919.92)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	1919.92 (1919.92)	407.08 (269.55)	0.00 (0.00)	137.53 (137.53)	0.00 (0.00)	544.61 (407.08)	1375.31 (1512.84)	1512.84 (1650.37)
Total Tangible Assets	70463.92	77.38	876.27	0.00	69665.04	42903.40	0.00	6674.03	407.79	49169.65	20495.39	27560.52
Previous year	72275.03	288.76	3009.56	909.70	70463.92	37544.89	0.00	7169.62	1811.11	42903.40	27560.52	34730.14
Intangible Assets												
Computer Software	37.44 (37.44)	0.00 (0)	0.00 (0)	0.00 (0)	37.44 (37.44)	37.44 (37.44)	0.00 (0)	0.00 (0)	0.00 (0)	37.44 (37.44)	0.00 (0.00)	0.00 (0.00)
Total Intangible Assets	37.44	0.00	0.00	0.00	37.44	37.44	0.00	0.00	0.00	37.44	0.00	0.00
Previous year	37.44	0.00	0.00	0.00	37.44	37.44	0.00	0.00	0.00	37.44	0.00	0.00
Grand Total											20495.40	27560.52

(Figures in Brackets relate to previous year)

NOTE 11 : DEFERRED TAX ASSET /(LIABILITY) -NET:

Rs.in '000s

	March 31, 2017	March 31, 2016
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The breakup of Deferred Tax Asset:

Arising on account of timing difference in:

- Depreciation	1010.61	-275.38
- Accrued Expenses allowable on Actual Payments	1080.57	983.92

Deferred Tax Asset / (Liability)

2091.18**708.54**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

NOTE 12 : NON-CURRENT INVESTMENTS

	Rs.in '000s	
	March 31, 2017	March 31, 2016
Trade - Unquoted - Fully Paid		
520 Equity Shares of Rs. 25/- each Shreeji Bhatia Co-operative Bank	13.00	13.00
Non Trade - Unquoted - Fully Paid		
270000 Equity shares of Rs.10/- each of Global Instile Solid Industries Limited	10156.14	10273.78
	<u>10169.14</u>	<u>10286.78</u>

NOTE 13 : LOANS & ADVANCES

	Long Term Rs.in '000s		Short Term Rs.in '000s	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Unsecured, Considered Good				
Loan to Employees	0.00	0.00	0.00	23.00
Advances Recoverable in cash or in kind	0.00	0.00	19820.12	39019.58
Advance to Suppliers	0.00	0.00	86136.60	55367.69
Security Deposits	2897.22	4169.44	0.00	0.00
Prepaid Expenses	0.00	0.00	96.79	302.38
Other loans and advances:				
Balances with Custom and Excise authorities	0.00	0.00	527.16	1073.64
Advance payment of Income Tax / Tax Deducted at Source (after adjusting provision)	0.00	0.00	0.00	0.00
	<u>2897.22</u>	<u>4169.44</u>	<u>106580.66</u>	<u>95786.29</u>

NOTE 14 : OTHER ASSETS

	Non-current Rs.in '000s		Current Rs.in '000s	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Unsecured, Considered Good				
Interest accrued on fixed Deposits	0.00	0.00	75.48	2.41
Non-current Bank Balances (Note 17)	0.00	0.00	0.00	0.00
Others - Miscellaneous Expenditure to the extent not written off or adjusted	0.00	0.00	0.00	9.44
	<u>0.00</u>	<u>0.00</u>	<u>75.48</u>	<u>11.85</u>

NOTE 15 : INVENTORIES

	Rs.in '000s	
	March 31, 2017	March 31, 2016
At lower of cost and net realisable value		
Raw materials	2734.50	3293.62
Stock-in-process	0.00	0.00
Finished goods	224368.14	245972.54
Tools and Stores	98.63	41.27
	<u>227201.27</u>	<u>249307.43</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**NOTE 16 : TRADE RECEIVABLES**

Rs.in '000s

	March 31, 2017	March 31, 2016
Unsecured, Considered Good		
Overdue for a period exceeding six months	49192.13	8935.68
Others	71494.82	98910.90
	<u>120686.95</u>	<u>107846.58</u>

NOTE 17 : CASH & BANK BALANCES

	Non-current		Current	
	March 31, 2017	Rs.in '000s March 31, 2016	March 31, 2017	Rs.in '000s March 31, 2016
Cash & Cash equivalents:				
Balances with banks;				
In Current Accounts	0.00	0.00	305.44	878.45
Cash on hand	0.00	0.00	818.76	860.02
	<u>0.00</u>	<u>0.00</u>	<u>1124.20</u>	<u>1738.46</u>
Other Bank Balances;				
In Deposit Accounts (more than 12 months maturity)	0.00	0.00	0.00	0.00
In Deposit Accounts (more than 3 months but less than 12 months maturity)	0.00	0.00	3012.52	105.14
In unclaimed Dividend Account	0.00	0.00	444.13	493.73
	<u>0.00</u>	<u>0.00</u>	<u>3456.64</u>	<u>598.87</u>
Amounts disclosed under 'Non Current Assets' (Note 15)	0.00	0.00	0.00	0.00
	<u>0.00</u>	<u>0.00</u>	<u>4580.84</u>	<u>2337.34</u>

	Specified Bank Notes (Rupees)	Other Denomination notes (Rupees)	Total (Rupees)
Closing Cash in Hand as on 8-11-2016	-	16,28,000	95,027
(+) Withdrawn from Bank	-	-	3,96,000
(+) Permitted Receipts	-	-	2,49,325
(-) Permitted payments	53,000	-	3,89,453
(-) Amount Deposited in Bank	15,75,000	-	-
Closing Cash in Hand as on 30-12-2016	-	-	3,50,899

NOTE 18 : REVENUE FROM OPERATIONS

Rs.in '000s

	2016-17	2015-16
Sales:		
- Goods	712910.58	577521.90
- Services including labour charges	2782.84	9130.77
Other Operating Revenues	23716.67	17530.63
	<u>739410.10</u>	<u>604183.29</u>

NOTE 19 : OTHER INCOME

Rs.in '000s

	2016-17	2015-16
Interest on Fixed Deposits with Bank	80.44	9.03
Dividend on Shares	1.52	0.00
Net gain on Foreign Currency transactions	0.00	812.88
Insurance Claim received on Goods	0.00	173.70
Liabilities for Expenses written back	209.64	0.00
Compensation Received for Material	484.81	0.00
Miscellaneous Receipts	73.23	3.70
	<u>849.64</u>	<u>999.31</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

NOTE 20 : COST OF MATERIALS CONSUMED

	Rs.in '000s	
	2016-17	2015-16
Cost of Materials Consumed		
Opening Stock	3293.62	3687.00
Add: Purchases	1703.65	3598.72
	<u>4997.27</u>	<u>7285.73</u>
Less: Closing Stock	2734.50	3293.62
	<u>2262.77</u>	<u>3992.10</u>
Details of Raw Materials consumed		
Granite	833.48	1545.97
Slate	648.40	768.13
Marble	72.52	7.09
Semi Precious	708.38	1670.92
	<u>2262.77</u>	<u>3992.10</u>

NOTE 21 : PURCHASES OF STOCK IN TRADE

	Rs.in '000s	
	2016-17	2015-16
Purchases of Stock in Trade		
Granite	718.37	1072.54
Marble	611969.82	478544.43
Mosaics	219.58	1111.20
Sealants	1.65	32.23
Semi Precious	0.00	1684.94
Slate	714.47	1395.74
Wood	0.00	0.00
Other Misc.Items	0.00	0.00
Total	<u>613623.89</u>	<u>483841.08</u>

NOTE 22 : CHANGES IN INVENTORY OF FINISHED GOODS

	Rs.in '000s	
	2016-17	2015-16
Closing Stock:		
Finished Goods - Manufactured	4399.22	3820.93
Finished Goods - Traded	219968.93	242151.61
	<u>224368.14</u>	<u>245972.54</u>
Less: Opening Stock:		
Finished Goods - Manufactured	3820.93	2722.83
Finished Goods - Traded	242151.61	254914.99
	<u>245972.54</u>	<u>257637.82</u>
Differential Excise Duty on Opening and Closing stock of Finished Goods	0.00	0.00
	<u>21604.40</u>	<u>11665.27</u>

Details of Inventory

Class of Goods	Sales	Manufactured Goods		Traded Goods	
		Opening Stock	Closing Stock	Opening Stock	Closing Stock
Granite	2274.10	185.43	185.43	1955.20	2035.39
Marble	702947.74	—	—	235162.02	213388.67
Mosaics	1344.97	—	145.34	1150.51	652.08
Sealants	14.19	—	—	1329.10	1322.89
Semi Precious	4787.17	3635.50	3709.93	1838.51	1322.62
Slate	1114.09	—	358.52	716.27	1247.26
TOTAL	<u>712482.25</u>	<u>3820.93</u>	<u>4399.22</u>	<u>242151.61</u>	<u>219968.93</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**NOTE 23 : EMPLOYEE BENEFITS EXPENSE**

Rs.in '000s

	2016-17	2015-16
Salaries, Wages, Bonus, and Allowances	19974.75	22801.11
Company's Contribution to Provident, Gratuity and Other Funds (Refer Note (a) below)	292.33	324.80
Welfare Expenses	270.23	262.88
	<u>20537.31</u>	<u>23388.79</u>

(a) Employee Benefits

a. During the year, the company has recognised the following in the Statement of Profit & Loss.

(i) Defined benefit plans:	Gratuity*		Pension#	
	Unfunded (Rs. In '000s) 31/03/2017	31/03/2016	Unfunded (Rs.in '000s) 31/03/2017	31/03/2016
Service Cost	299.82	282.92	-	-
Interest Cost	222.00	212.09	-	-
Expected return on plan assets	0.00	0.00	-	-
Net Actuarial (Gain) / Loss	-229.50	-170.20	-	-
Net Cost	<u>292.33</u>	<u>324.80</u>	<u>-</u>	<u>-</u>

* included in "contribution to Provident, Gratuity & Other Funds" (Refer Note 23)

included in "Salaries, Wages, Bonus & Allowances" (Refer Note 23)

b. **Amount recognised in the Balance Sheet**

Present value of defined benefit obligation	3268.21	2975.89	-	-
Fair value of plan assets	0.00	0.00	-	-
Net asset / (liability) as at 31st March, 17 recognised in the Balance Sheet	<u>-3268.21</u>	<u>-2975.89</u>	<u>-</u>	<u>-</u>

c. **Balance Sheet reconciliation**

Opening net asset / (liability)	-2975.89	-2651.09	-	-
Expenses as above	-292.33	-324.80	-	-
Employers contribution	0.00	0.00	-	-
Closing net asset / (liability) recognised in the Balance Sheet	<u>-3268.21</u>	<u>-2975.89</u>	<u>-</u>	<u>-</u>

d. **The principal actuarial assumptions**

Discount rate	6.69% p.a.	7.46% p.a.	N.A.	N.A.
Salary escalation rate:				
Staff	4% p.a.	4% p.a.	N.A.	N.A.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

e. **Amounts for the current and previous periods are as follows:**

Gratuity	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	Defined Benefit Obligation	3268.21	2975.89	0
Plan Assets	0.00	0.00	0	0
Surplus / (Deficit)	<u>-3268.21</u>	<u>-2975.89</u>	<u>0</u>	<u>0</u>
Experience adjustments on plan liabilities	Not available *			
Experience adjustments on plan assets	Not available *			

* The management has relied on the overall actuarial valuation conducted by the actuary. However, experience adjustments on plan liabilities and assets are not readily available and hence not disclosed.

NOTE 24 : FINANCE COSTS

Rs.in '000s

	2016-17	2015-16
Interest	18918.76	16300.94
Bank Charges	2473.71	1668.05
	<u>21392.47</u>	<u>17968.98</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

NOTE 25 : DEPRECIATION & AMORTISATION EXPENSE

	Rs.in '000s	
	2016-17	2015-16
Depreciation on tangible assets	6674.03	7169.62
Amortisation on intangible assets	0.00	0.00
	<u>6674.03</u>	<u>7169.62</u>

NOTE 26 : OTHER EXPENSES

	Rs.in '000s	
	2016-17	2015-16
Tools and Stores Consumed	472.85	803.97
Packing Materials consumed	24.14	35.99
Power and Fuel	1643.30	1821.47
Repairs and Renewals:		
Buildings / Premises	211.97	244.01
Plant and Machinery	56.64	58.45
Other Assets	0.00	248.77
Insurance	383.52	506.41
Rent	7027.53	8561.76
Printing and Stationery	335.66	454.66
Travelling & Conveyance	5496.84	4546.55
Postage & Courier Expenses	36.47	71.16
Telephone Expenses	1134.57	1209.90
Legal & Professional Charges	3847.19	4327.86
Auditors' Remuneration:		
As Auditors:		
Audit fees	241.50	241.50
Reimbursement of Expenses etc.	0.00	0.00
	<u>241.50</u>	<u>241.50</u>
VAT & CST Paid	12126.97	15179.05
Service Tax	40.38	68.07
Bad Debts	3470.00	4123.03
Entertainment Expenses	513.67	563.36
Vehicle Expenses	336.35	686.09
Directors' Sitting Fees	73.00	263.18
Freight and Forwarding (Net)	776.24	1267.06
Net Loss on Foreign Currency transactions	402.94	10.17
Loss on fixed assets sold / discarded (Net)	434.97	1198.45
Miscellaneous Expenses	2688.42	2576.74
	<u>41775.13</u>	<u>49067.66</u>

NOTE 27 : OTHER ADDITIONAL NOTES / INFORMATION

A Contingent Liability not provided for:

Demands/claims by various Government Authorities not acknowledged as debts and contested by the company:

- Income Tax Rs.8.25 lakhs (Prev.Yr. Rs. 1.84 lakhs) [Appeal filed with the C.I.T.(Appeals), Mumbai for Assessment Year 2011-12]
- Income Tax Rs.1.62 lakhs (Prev.Yr. Rs. 1.62 lakhs) [Appeal filed with the C.I.T.(Appeals), Mumbai for Assessment Year 2013-14]
- Income Tax Rs.1.28 lakhs (Prev.Yr. Rs. 1.25 lakhs) [Appeal filed with the C.I.T.(Appeals), Mumbai for Assessment Year 2014-15]

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

EXPENSES:									
Rent	—	300.00	—	—	—	—	—	240.00	240.00
Remuneration & Allowances	7260.00	7260.00	—	439.31	—	—	—	960.00	960.00
Directors' fees	—	—	—	190.18	—	—	—	15.00	15.00
INCOME:	—	—	—	—	—	—	—	—	—
OUTSTANDINGS:									
Payable	961.50	1,065.50	187.07	190.18	—	—	—	114.10	849.52
Receivable	—	—	—	—	12923.96	9301.38	—	—	—
LOANS:									
Payable	14788.00	19607.00	3718.89	4,003.21	—	—	—	—	100.00
Receivable	—	—	—	47.92	—	—	—	—	—
Taken	22037.00	53650.00	8.09	462.13	—	—	—	—	—
Re-Paid	26856.00	53873.00	133.06	—	—	—	—	100.00	—
DEPOSITS:									
Given	—	—	—	—	—	—	—	1000.00	1000.00
GUARANTEES:									
Given	—	—	—	—	—	—	—	—	—
Taken	276000.00	230000.00	—	—	138000.00	—	—	—	—

Disclosures pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & section 186 of the Companies Act, 2013

No amount has been provided as doubtful debts or advances, written off or written back in the year in respect of debts due from/to above related parties.

(Rs.in'000s)

Sr. No.	Nature of Transaction	Key Management Personnel		Key Management Personnel of Subsidiaries				Associate Concern	Relatives of Key Management personnel and Enterprise owned and significantly influenced by Key Management personnel or their relatives				
		Milan Khakhar	Prakash Khakhar	M.S. Munde	H.S. Munde	Bhrati Padharia	Satish Padharia		Global Instile Solid Industries Ltd.	M. Stones	Milan Marble & Tiles	Vasumati Khakhar	Jeenoo Khakhar
1	Payments to & provision for :												
	a) Director's Remuneration & Allowance	3630.00 (3630.00)	3630.00 (3630.00)	— (439.31)	—	—	—	—	—	—	—	480.00 (480.00)	480.00 (480.00)
	b) Rent	— (150.00)	— (150.00)	—	—	—	—	—	—	240.00 (240.00)	—	—	—
	c) Director's Fees	—	—	—	—	—	—	—	—	—	15.00 (15.00)	—	—
		—	—	—	—	(95.09)	(95.09)	—	—	—	—	—	—
2	a) Loans Taken	20425.00 (47050.00)	1612.00 (6600.00)	8.09 (462.13)	—	—	—	—	—	—	—	—	—
	b) Loans refunded	24142.00 (47813.00)	2714.00 (6060.00)	92.34	40.73	—	—	—	—	—	100.00	—	—
	c) Loans Payable	11180.00 (14897.00)	3608.00 (4710.00)	3718.89 (4003.21)	—	—	—	—	—	—	—	(100.00)	—
	d) Loans Receivable	—	—	—	(47.92)	—	—	—	—	—	—	—	—
3	Purchase of Goods	—	—	—	—	—	—	16502.42 (34619.33)	—	—	—	—	—
4	Sale of Goods	—	—	—	—	—	—	—	—	—	—	—	—
5	Deposits Receivable as on 31st March	—	—	—	—	—	—	—	—	1000.00 (1000.00)	—	—	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

6	Outstanding Payable as on 31st March	365.50 (378.50)	596.00 (687.00)	—	—	106.20 (95.09)	80.88 (95.09)	—	—	30.10	84.00 (69.00)	—	— (155.00)
7	Outstanding Receivable as on 31st March	—	—	—	—	—	—	12923.96 (9301.38)	—	—	—	—	—
8	Outstanding Guarantee taken as on 31st March	138000.00 (115000.00)	138000.00 (115000.00)	—	—	—	—	138000.00	—	—	—	—	—

(figures in Brackets relate to previous year)

F	Remuneration to Directors												(Rs. in '000s)
1)	<u>Nature of transactions:</u>												
	Remuneration to Directors									31/03/2017	31/03/2016		
	Remuneration									7200.00	7200.00		
	Perquisites									60.00	60.00		

No amount has been provided as doubtful debts or advances / written off or written back in the year in respect of debts due from / to above related party.

G Segment Information:

The Company is primarily engaged in the business of natural stones, building material and allied building activities which is considered as a single segment.

H Remuneration to Auditors

Particulars			(Rs. in '000s)
		31/03/2017	31/03/2016
Audit Fees (inclusive of Service Tax)		241.50	241.50
Total		241.50	241.50

I Lease :

Disclosure as required by Accounting Standard 19 (AS-19) issued by the The Institute of Chartered Accountants of India are as follows :

Operating Lease :

The Company's significant leasing arrangements are in respect of office premises, warehouse and showrooms taken on lease. The arrangements are generally not Non-Cancellable and range from 33 months to 60 months by giving 1 month to 3 months notice for termination of lease. Under these agreements, generally refundable interest-free deposits have been given. In respect of above arrangement, lease rentals payable are recognised in the Statement of Profit and Loss for the year. Total of Minimum Lease payment for a period is :

			(Rupees in '000s)
Particulars		March 31, 2017	March 31, 2016
Not Later than One Year		607	599
Later than One year and not later than five year		NIL	NIL
Later than Five years		NIL	NIL

J Figures of previous year have been regrouped or rearranged wherever necessary

Signatures to the Notes to the Financial Statements which form an integral part of these Financial Statements.

For and on Behalf of the Board**For ASHAR & CO.**

Chartered Accountants
(ICAI Regn.No.129159W)

YOGESH ASHAR

Partner
(Mem.No.046259)

MUMBAI :

DATED : 29th May, 2017

M. B. KHAKHAR

Chairman & Managing Director
(DIN: 00394065)

M.D.DEWANI

Chief Financial Officer

P. B. KHAKHAR

Joint Managing Director
(DIN: 00394135)

H.D.VALIA

Company Secretary

FORM AOC-I

Part "A": Subsidiaries Information

Sr. No.	Particulars	Details	Details
1	Name of Subsidiary	Granitexx UK Limited	Stone Source GB Ltd.
2	Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	Financial year - April 1, 2016 to March 31, 2017	Financial year - April 1, 2016 to December 31, 2016
3	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	1 GBP = Rs.80.8797	1 GBP = Rs.80.8797
4	Share Capital (Rs.in '000s)	1617.67	808.80
5	Reserves & Surplus (Rs.in '000s)	-1935.21	-6352.41
6	Total Assets (Rs.in '000s)	198.24	684.04
7	Total liabilities (Rs.in '000s)	198.24	684.04
8	Investments (Rs.in '000s)	0.00	0.00
9	Turnover / Total income (Rs.in '000s)	0.00	502.34
10	Profit/Loss before taxation (Rs.in '000s)	-1118.40	-529.03
11	Provision for taxation (Rs.in '000s)	0.00	0.00
12	Profit/Loss after taxation (Rs.in '000s)	-1118.40	-529.03
13	Proposed Dividend	-	-
14	% of Shareholding	100%	51% held by Granitexx UK Limited

Granitexx UK Limited is holding 51% shares of Stone Source GB Limited.

Stone Source GB Limited is in the process of applying for striking off its name from the Company's Register in U.K. and hence accounts of Stone Source GB Limited are made upto 31st December, 2016.

Part "B": Associate and Joint ventures

Sr. No.	Particulars	Global Instile Solid Industries Limited (Associate Company)
1	Latest audited Balance Sheet date	31/03/2017
2	Shares of Associate held by the company on the year end	
	Number	270,000
	Amount of Investment in Associate (Rs.in '000s)	9450.00
	Extent of Holding %	29.88%
3	Description of how there is significant influence	Voting Power
4	Reason why the associate is not consolidated	Not Applicable
5	Networth attributable to shareholding as per latest audited Balance Sheet (Rs.in '000s)	3350.46
6	Profit/Loss for the year	
	i. Considered in Consolidated (Rs.in '000s)	-117.64
	ii. Not Considered in Consolidated (Rs.in '000s)	Not Applicable

SOLID STONE COMPANY LIMITED

CIN:L26960MH1990PLC056449;
 Regd. Off.: 1501, Maker Chambers V,
 Nariman Point, Mumbai-400021.
 Tel. No.: +91 22-66115800 Fax: +91 22-22826439
 Website: www.solid-stone.com
 Email Id : sglinvserv@gmail.com

PROXY FORM

*[Pursuant to Section 105(6)
 of the Companies Act, 2013
 and Rule 19(3) of the
 Companies (Management
 and Administration) Rules,
 2014]*

Name of the member (s):	Folio No. / DP ID Client ID No.
Registered address:	E-mail Id:

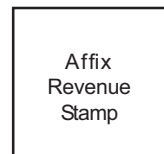
I/we, being the member(s) of _____ shares of SOLID STONE COMPANY LIMITED hereby appoint:

- 1) Name : _____ Address : _____
 _____ Email Id : _____ or failing him
- 2) Name : _____ Address : _____
 _____ Email Id : _____ or failing him
- 3) Name : _____ Address : _____
 _____ Email Id : _____ or failing him

and whose signature(s) are appended in this form, as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company to be held on Friday, 22nd September, 2017 at 9.15 A.M. at Half Centrum, Centre 1, 1st Floor, World Trade Centre, Cuffe Parade, Mumbai- 400005 or any adjournment thereof, in respect of such resolutions as are indicated below:

RESOLUTIONS	OPTIONAL*	
	For	Against
Ordinary Business		
1. Adoption of the Audited Financial Statements for FY ended 31.03.2017, reports of Board of Directors and Auditors thereon and adoption of Audited Consolidated Financial Statements for FY ended 31.03.2017 and report of Auditors thereon.		
2. Re-appointment of Mrs.V. B. Khakhar as Director, who retires by rotation.		
3. Ratification of Appointment of M/s Ashar & Co., Chartered Accountants (Regn.No. 129159W) as Statutory Auditors.		

Signed this _____ day of _____ 2017 Signature of Shareholder _____



Signature of PROXY

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the company not less than 48 hours before the commencement of the meeting.**
- A Proxy need not be a member of the company.**
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for an other person or shareholder.
- *4. This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

Book-Post

if undelivered, please return to:

SOLID STONE COMPANY LIMITED

1501, Maker Chambers V,
Nariman Point, Mumbai - 400 021.