

FORM "A"

ANNUAL AUDIT REPORT

- 1 Name of the Company : **SOLID STONE COMPANY LIMITED**
- 2 Annual Financial Statements
for the year ended : **31ST MARCH, 2015**
- 3 Type of Audit Observation : Un-Qualified
- 4 Frequency of Observation : Not Applicable

For Solid Stone Co. Ltd

Milans B Khakhar

(MILAN B. KHAKHAR)
Managing Director

A. Y. Parekh

(A. Y. PAREKH)
Chair Person-Audit Committee



For Ashar & Co. (Auditors)

Chartered Accountants
(ICAI Regn.No.129159W)

Yogesh Ashar

Yogesh Ashar
Partner
(Mem.No.046259)



Place : Mumbai

Date : 30th May, 2015

TWENTY FIFTH ANNUAL REPORT 2014-2015

BOARD OF DIRECTORS

Mr. Milan B. Khakhar - Chairman and Managing Director
Mr. Prakash B. Khakhar - Joint Managing Director
Mrs. Vasumati B. Khakhar - Director
Mr. K. Natarajan - Director
(upto September 14, 2014)
Ms. A. Y. Parekh - Director
Mr. K. Gopi Nair - Director
Mr. Gaurav S. Davda - Director
(from May 29, 2014)

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

REGISTERED OFFICE

SOLID STONE COMPANY LIMITED
1501, Maker Chambers - V,
Nariman Point,
Mumbai - 400 021.
CIN: U26960MH1990PLC056449
Email: sglinvserv@gmail.com
Tel. +91 22 66115800 Fax. +91 22 2826439
Website : www.solid-stone.com

TWENTY FIFTH ANNUAL GENERAL MEETING

At:

Orchid & Tulip,

Centre 1, World Trade Centre,

1st Floor, Cuffe Parade, Mumbai-400005

On Thursday, 24th September, 2015

At 9:15 A.M.

NOTICE OF MEETING

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Shareholders of SOLID STONE COMPANY LIMITED will be held at Orchid & Tulip, Centre-1, World Trade Centre, 1st Floor, Cuffe Parade, Mumbai - 400005 on Thursday, 24th September, 2015 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, 2015, 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, 2015, 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 re-appoint M/s. Ashar & Co., Chartered Accountants as Statutory Auditors of the company and to fix their remuneration.

SPECIAL BUSINESS :

4. To appoint Mr. K.Gopi Nair (holding DIN 00763252) as Independent Director and in this regard consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**;

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr.K.Gopi Nair (holding DIN 00763252), Director of the Company whose period of office is liable to determination by retirement of Director by rotation and in respect of whom the company has received a notice in writing from a member proposing candidature for the office of Director, be and is hereby appointed as an Independent Director of the company to hold office for a term of four consecutive years, from the date of this Annual General Meeting till 30th September 2019."

By Order of the Board of Directors

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

Place : Mumbai

Date : 30th May, 2015

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 19th September, 2015 to 24th September, 2015 (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) The Explanatory statement pursuant to section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business at the meeting is annexed hereto.
- H) Brief resume of Directors proposed to be appointed / re-appointed, nature of their expertise in functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees and shareholding, are hereto annexed.
- I) Members are requested to notify change in address, if any, immediately to Sharex (India) Pvt. Ltd. quoting their folio numbers.
- J) 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.
- K) Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
- L) 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.

Voting through electronic means

- (M) 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 25th 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 Mr. Bhavesh Joshi, Chartered Accountant 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 21st September, 2015 (9:30 AM) and ends on 23rd September, 2015 (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 1st September, 2015 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
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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	<p>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.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <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.
- (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 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
- (N) 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.
- (O) The Results declared alongwith the Scrutinizer's Report shall be placed on the website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
- (P) 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 : 30th May, 2015

ANNEXURE TO THE NOTICE**Explanatory Statement under section 102(1) of the Companies Act, 2013****Item No. 4**

Mr. K. Gopi Nair (56), is a Commerce Graduate from University of Mumbai. He has vast experience of more than 27 years in building materials and natural stone industry. He was appointed as Director of the Company from 1st January, 2003. He is a member of committees appointed by the Board for effective Corporate Governance. He does not hold other Directorship. The relevant details about his attendance of meetings and other Directorships are given in the Report on Corporate Governance forming part of Annual Report. He holds 840 Shares of the Company.

Mr. K. Gopi Nair is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. K. Gopi Nair being eligible and offering himself for re-appointment, is proposed to be appointed as an Independent Director for a term of four consecutive years from the date of this meeting till 30th September, 2019. A notice has been received from a member proposing Mr. K. Gopi Nair as a candidate for Director of the Company.

In the opinion of the Board, Mr. K. Gopi Nair fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr K. Gopi Nair as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

It is, therefore, in the Company's interest that it should continue to avail of his services as an independent member of the Board. Accordingly, the Board recommends the resolution in relation to appointment of Mr. K. Gopi Nair as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. K Gopi Nair, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in this item of the notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board recommends the resolution for your approval

By Order of the Board of Directors

Milan B. Khakhar

Chairman & Managing Director

(DIN : 00394065)

Place : Mumbai

Date : 30th May, 2015

DIRECTOR'S REPORT

The Members,

Your Directors have pleasure in presenting their Twenty-fifth Annual Report of the Company for the year ended on 31st March, 2015.

FINANCIAL RESULTS :

	Year Ended 31st March, 2015 ₹ in '000s	Year Ended 31st March, 2014 ₹ in '000s
Gross Income from Operations	5,75,219	4,99,919
Profit before Depreciation and Tax	41,270	24,357
Profit after Tax	21,453	11,857
Balance brought forward from Previous year	51,540	43,460
Amount available for Appropriation	72,993	55,317
Proposed Dividend	NIL	3,228
Tax on Dividend	NIL	549
Surplus carried to Balance Sheet	72,993	51,540

DIVIDEND :

Your Directors, in order to conserve resources, have not recommend any Dividend for the year ended 31st March, 2015 on the Equity Share Capital.(Previous Year : ₹ 0.60 per share).

OPERATIONS :

During the year under review the Company made overall improvement in performance, posting a higher gross income as well as Profit before taxes in the scenario of sectoral imbalances, inflationary trends and decline in rupee value. However, in light of the fact that the Directors are considering expansion plans and further on general fear of economic slowdown in the current financial year, the Board has not recommended any Dividend for the year under review.

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

The Company has formulated a policy on dealing with Related Party Transactions. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

During the year, the Company had not entered into any contract/ arrangement/transactions with related parties which can be considered as material in nature. The related party transactions are disclosed under Note No. 27E of the Notes to Financial Statements for the financial year 2014-15.

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

Mr.K.Gopi Nair , Director of the Company is proposed to be appointed as Non-retiring Independent Director for a term of 4 consecutive years not liable to retire by rotation.

Key Managerial Personnel

Mr. Manoj Dewani has been appointed as Chief Financial Officer of the Company with effect from 13th February 2015.

Board Evaluation :

Pursuant to the provisions of the Companies Act, 2013, and Clause 49 of the Listing Agreement, 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 manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

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) They 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) They 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) They have prepared the Annual Accounts on a going concern basis.
- e) They 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) They 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, cost and secretarial auditors and external consultant(s) 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 2014-15.

CORPORATE GOVERNANCE :

Your company has always striven to incorporate appropriate standards for good corporate governance. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report is given in "Annexure C" to this Report. A separate Report on Corporate Governance and a Certificate from the Statutory Auditors of the Company

regarding the compliance of the conditions of Corporate Governance are annexed to this Report as "Annexure D".

PARTICULARS OF EMPLOYEES

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 :**Statutory Auditors**

M/s. Ashar & Co., Chartered Accountants are eligible for re-appointment and have indicated their willingness to act as such. In terms of section 141 of the Companies Act 2013, their appointment needs to be confirmed and their remuneration needs to be fixed.

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 has appointed M/s. Jinang Shah & Associates, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith as "Annexure F".

SIGNIFICANT OR MATERIAL ORDERS

There were no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status and the Company's operations in future.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal Audit plays a key role in providing an assurance to the Board of Directors with respect to the Company having adequate Internal Control Systems. The Internal Control Systems provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets. The details about the adequacy of Internal Financial Controls are provided in the Management Discussion and Analysis Report.

AUDITORS QUALIFICATIONS

The remarks, if any, either by the Auditors or by the Practising Company Secretary in their respective reports have been dealt with, appropriately in this report.

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.

APPRECIATION :

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

By Order of the Board of Directors
Milan B. Khakhar
Chairman & Managing Director
(DIN : 00394065)

Place : Mumbai
Date : 30th May, 2015

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	73,957	54,810
Total Cost	₹ 5,65,970	₹ 5,35,670
Rate per unit	₹ 7.65	₹ 9.77

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: ₹ 409.47 Lacs
Foreign exchange earned: ₹ 103.35 Lacs

ANNEXURE B to Directors' Report :

EXTRACT OF ANNUAL RETURN
As on financial year ended 31.03.2015
[Pursuant to Section 92(3) of the Companies act, 2013 read with
[The Companies (Management and Administration) Rules, 2014]

FORM NO. MGT-9**I. REGISTRATION AND OTHER DETAILS:**

CIN:-	U26960MH1990PLC056449
Registration Date:	8th May,1990
Name of the Company:	Solid Stone Company Limited
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

II. 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	1.01%
b.	Trading in Natural Stones & related products	47190	98.99%

2. Non-Institutions

(a) BODIES CORP.

(i) Indian	484300	34200	518500	9.638	526885	34200	561085	10.429	0.791
(ii) Overseas									
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	255137	89720	344857	6.41	242070	88720	330790	6.149	-0.261
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	789932	30200	820132	15.244	761514	30200	791714	14.716	-0.528
(c) Other (specify)									
Non Resident Indians	11	0	11	0	11	0	11	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	100	0	100	0.002	0	0	0	0	-0.002
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):-	1529480	154120	1683600	31.294	1530480	153120	1683600	31.294	0
Total Public Shareholding (B)= (B)(1)+ (B)(2)	1529480	154120	1683600	31.294	1530480	153120	1683600	31.294	0
C. Shares held by Custodian for GDRs & ADRs									0
Grand Total (A+B+C)	5225380	154620	5380000	100.00	5226380	153620	5380000	100.00	0

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2014			Share holding at the end of the Year 31/03/2015			% 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	MILAN BHAGWANDAS KHAKHAR	808015	15.019	0	808015	15.019	0	0
2	PRAKASH BHAGWANDAS KHAKHAR	1378895	25.63	0	1378895	25.63	0	0
3	VASUMATI BHAGWANDAS KHAKHAR	682190	12.68	0	682190	12.68	0	0
4	JEENOO MILAN KHAKHAR	699300	12.998	0	699300	12.998	0	0
5	SHRADDHA PRAKASH KHAKHAR	30500	0.567	0	30500	0.567	0	0
6	CHARU SHEKHAR DAVDA	7500	0.139	0	7500	0.139	0	0
7	KANIKA MILAN KHAKHAR	15700	0.292	0	15700	0.292	0	0
8	ISHA MILAN KHAKHAR	14300	0.266	0	14300	0.266	0	0
9	YASH PRAKASH KHAKHAR	27800	0.517	0	27800	0.517	0	0
10	MAHI PRAKASH KHAKHAR	31700	0.589	0	31700	0.589	0	0
11	CHARU SHEKHAR DAVDA	500	0.009	0	500	0.009	0	0

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

SI No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2014			Share holding at the end of the Year 31/03/2015			
		No. of Shares at the beginning (01-04-2014) / end of the company year (31-03-2015)	% of total Shares of the company	Date	Increase / Decrease in share-holding	Reason	No. of Shares	% of total Shares of the
1	Not Applicable							

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

SI No.	Shareholder's Name	No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total Shares of the company	Date	Increase / Decrease in share-holding	Reason	No. of Shares	% of total Shares of the company
1	NIRMAL BANG FINANCIAL SERVICES PRIV -Closing Balance	49750	0.925	01/04/2014 31/03/2015			49750	0.925
2	PRIME SECURITIES LIMITED -Closing Balance	41939	0.78	01/04/2014 31/03/2015			41939	0.78
3	JUDITH INVESTMENTS PRIVATE LIMITED -Closing Balance	75000	1.394	01/04/2014 31/03/2015			75000	1.394
4	PRIMESEC INVESTMENTS LIMITED -Closing Balance	130792	2.431	01/04/2014 31/03/2015			130792	2.431
5	RELIGARE FINVEST LTD -Closing Balance	121657	2.261	01/04/2014 31/03/2015			121657	2.261
6	DEEPAK SARDA -Closing Balance	36500	0.678	01/04/2014 27/03/2015 31/03/2015	-4500	Transfer	32000 32000	0.595 0.595
7	ANJALI GIRISH BAKRE -Closing Balance	31360	0.583	01/04/2014 31/03/2015			31360	0.583
8	FALGUNI S NAYAR -Closing Balance	184000	3.42	01/04/2014 31/03/2015			184000	3.42
9	SANTOSH SARDA -Closing Balance	43500	0.809	01/04/2014 31/03/2015			43500	0.809
10	MANISH SARDA -Closing Balance	32000	0.595	01/04/2014 27/03/2015 31/03/2015	4500	Transfer	36500 36500	0.678 0.678

(v) Shareholding of Directors and Key Managerial Personnel:

Shareholder's Name	Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year 31/03/2015	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
ASHNI YOGENDRA PAREKH				
At the beginning of the year	45951	0.854		
At the End of the year			45951	0.854

Shareholder's Name	Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year 31/03/2015	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
GAURAV SHEKHAR DAVDA				
At the beginning of the year	57856	1.075		
At the End of the year			57856	1.075

Shareholder's Name	Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year 31/03/2015	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
K GOPINAIR				
At the beginning of the year	840	0.016		
At the End of the year			840	0.016

V. INDEBTEDNESS

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

₹ In '000s

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	103685.97	21870.00	-	125555.97
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
Total (i+ii+iii)	103685.97	21870.00	0.00	125555.97
Change in Indebtedness during the financial year				
- Addition	-	62385.00	-	62385.00
- Reduction	-2987.44	-54356.01	-	-57343.45
Net Change	-2987.44	8028.99	0.00	5041.55
Indebtedness at the end of the financial year				
i) Principal Amount	100698.53	29898.99	-	130597.53
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
Total (i+ii+iii)	100698.53	29898.99	0.00	130597.53

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

Sl.no.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr.Milan Khakhar (Chairman & Director)	Mr.Prakash Khakhar (Joint Managing Managing Director)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	3,175,400	3,175,400	6,350,800
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit - others, specify...			
5	Others, please specify	54,600	54,600	109,200
	Total (A)	3,230,000	3,230,000	6,460,000
	Ceiling as per the Act			

B. Remuneration to other directors:

Sl.no.	Particulars of Remuneration	Name of Directors				Total Amount
		Ms.A.Y.Parekh	Mr.Gaurav Davda	Mr.K.Gopi Nair	Mr.K.Natarajan	
1.	Independent Directors					
	• Fee for attending board/committee meetings	22,000	16,000	18,000	-	
	• Commission	-	-	-	-	
	• Others, please specify	-	-	-	-	
	Total (1)	22,000	16,000	18,000	-	56,000
2.	Other Non-Executive Directors	Mrs.V.B. Khakhar				
	• Fee for attending board/committee meetings	18,000				18,000
	• Commission	-				
	• Others, please specify	-				
	Total (2)	18,000				18,000
	Total (B)=(1+2)	40,000	16,000	18,000	-	74,000
	Total Managerial Remuneration Overall Ceiling as per the Act					

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

	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	2375400	198000	2573400
	(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 - others, specify...	-	-	-
5	Others, please specify	24600	-	-
	Total	2400000	198000	2573400

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 Punishment Compounding			NIL		
B. DIRECTORS Penalty Punishment Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			NIL		

ANNEXURE C to Directors' Report :**MANAGEMENT DISCUSSION AND ANALYSIS FOR 2014-15****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 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

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 and wooden flooring 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 2014-2015

During the financial year 2014-2015, the company achieved a sales turnover of ₹ 5752.19 lacs as against a Sales Turnover of ₹ 4991.87 lacs in the previous year. Net profit after tax stood at ₹ 214.53 lacs as compared to ₹ 118.57 lacs in the previous year. The gross as well as net income of the company showed marked improvement for the financial year ended 31st March 2015.

Capital Structure

There was no change in the capital structure of the company. The issued and paid up share capital as at 31st March, 2015, comprises of 53,80,000 equity shares of ₹10 each.

Internal Control System

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

During this year, the Company has introduced the Internal Audit System, which has been designed to endow reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of Company's internal policy. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. The Audit Committee reviews the adequacy and the effectiveness of the internal controls at periodic intervals to ensure that internal control systems are adhered to. Further, the Board annually reviews the effectiveness of the Company's internal control system.

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 2015, the Board met eleven times on 15th April, 2014, 15th May, 2014, 29th May, 2014, 12th August, 2014, 26th September, 2014, 29th September, 2014, 16th October, 2014, 12th November, 2014, 1st December, 2014, 22nd December, 2014, 13th February, 2015.

The gap between two Meetings did not exceed four months. The Company placed before the Board, the annual operating plans, budgets, performances and other information including those specified under Clause 49 of the Listing Agreement, from time to time.

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, 2015 and other details are as under:

Name of Director	Category	No of Board Meetings attended during 2014-15	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	11	Yes	2	—
Mr.Prakash B.Khakhar	Executive Promoter	10	Yes	2	—
Mrs.Vasumati B. Khakhar	Non-Executive Promoter	9	No	1	—
Mr.K.Natrajan (Upto 14/09/2014)	Non-Executive Independent	0	No	—	—
Ms.Ashni Y. Parekh	Non-Executive Independent	10	Yes	—	—
Mr.K.Gopi Nair	Non-Executive Independent	9	Yes	—	—
Mr.Gaurav Davda (w.e.f. 29/05/2014)	Non-Executive Independent	9	Yes	—	—

C. Audit Committee:

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 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.

During the year under review, the Audit Committee of Directors held discussions with the Internal and Statutory Auditors of the Company concerning the Accounts of the Company, internal control systems, internal audit, compliance with Accounting Standards and Listing Agreement, reviewed the quarterly, half yearly, and annual financial statements before they were submitted to the Board of Directors. The Audit Committee of Directors also reviewed the matter prescribed under clause 49 II(D) of the Listing Agreement.

Minutes of the Audit Committee Meetings are circulated to the Members of the Board, discussed and taken note of.

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 2014-2015
Ms.A.Y.Parekh, Chairperson	Independent Non-Executive	6
Mr.K.Natarajan, Member (upto 14/09/2014)	Independent Non-Executive	0
Mr.K.Gopi Nair, Member	Independent Non-Executive	5
Mr.Gaurav Davda, Member (w.e.f. 29/05/2014)	Independent Non-Executive	5

The Company adopted a revised Audit Committee Charter, containing the terms of reference effective from October 1, 2014 in accordance with Companies Act, 2013 and Clause 49 of the Listing Agreement.

During the year 2014-15, Six Audit Committee Meetings were held on 9th May, 2014, 29th May, 2014, 12th August, 2014, 26th September, 2014, 12th November, 2014, 13th February, 2015.

The Audit Committee has adequate powers and detailed terms of reference to play effective role as required under the Clause 49 of the Listing Agreement.

The Company Secretary acts as the Secretary of the Committee.

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 behaviour, actual or suspected fraud or violation of the Company's Code of Conduct.

D. Nomination & Remuneration Committee

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

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

Ms.A.Y. Parekh (Chairperson)
Mr. K. Gopi Nair
Mr. Gaurav Davda (w.e.f. 29/05/2014)

Subject to the overall ceiling approved by the Board and the shareholders, the Nomination & Remuneration Committee of the Directors recommend to the Board, the salary [including annual increments], perquisites and commission to be paid to the Company's Executive Directors.

Meetings of this Committee are held only when required.

One Meeting of this Committee were held during the year 2014-15.

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 2015 are as follows:

Name	Salary	Allowances	Perquisites	Sitting Fees	Total
Mr. M. B. Khakhar	32,00,000	30,000	—	—	32,30,000
Mr. P. B. Khakhar	32,00,000	30,000	—	—	32,30,000
Mrs. V.B. Khakhar	—	—	—	18,000	18,000
Ms.A.Y.Parekh	—	—	—	22,000	22,000
Mr.K.Gopi Nair	—	—	—	18,000	18,000
Mr.Gaurav Davda	—	—	—	16,000	16,000

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 ("Act") and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Equity Listing Agreement ("Clause 49") as may be applicable, the Board of Directors ("Board") has carried out an annual evaluation of its own performance and that of its committees and individual directors.

The performance of the Board and individual directors was evaluated by the Board seeking inputs from all the Directors.

The performance of the committees was evaluated by the Board seeking inputs from the committee members. The Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors. A separate meeting of Independent Directors was also held to review the performance of non-independent directors; performance of the Board as a whole and performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors. This was followed by a Board meeting that discussed the performance of the Board, its committees and individual directors.

The criteria for performance evaluation of the Board included aspects like Board composition and structure; effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of committees of the Board included aspects like composition of committees, effectiveness of committee meetings etc. The criteria for performance evaluation of the individual directors included aspects on contribution to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition the Chairperson was also evaluated on the key aspects of his/her role.

E. Stakeholders' Relationship Committee

The Committee's constitution and terms of reference are in compliance with provisions of the Section 178(5) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The company has formed Stakeholders' Relationship Committee under the Chairmanship of Ms.A.Y.Parekh with Mr.Milan B.Khakhar and Mrs.Vasumati B.Khakhar as its members, to look into redressal of Shareholders and investors grievances with respect to transfer of Shares, Non Receipt of Declared Dividend or Annual Report etc. and other matters relating to shareholder relationship. The Stakeholders Relationship Committee met three times during the year on 12th August, 2014, 4th October, 2014, 13th February, 2015.

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

Name of Members	Category	Meetings Attended During the year 2014-2015
Ms.A.Y.Parekh (Chair Person)	Independent Non-Executive	3
Mr.Milan B.Khakhar	Promoter Executive	3
Mrs.Vasumati B.Khakhar	Promoter Non-Executive	2

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, 2015.

No. of Investors' complaints received during financial year 2014-15 : Nil

No. of Complaints pending unresolved as on 31st March, 2015 : Nil

F. Name and Designation of Compliance officer:

Mr. Manoj D. Dewani - Chief Financial Officer
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
24 th	2013-2014	Sep 29, 2014	9.15 a.m.	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.
23 rd	2012-2013	Sep 6, 2013	9.15 a.m.	Orchid & Tulip, Centre-1, 1 st Floor, World Trade Centre, Cuffe Parade, Mumbai-400005.	—
22 nd	2011-2012	Sep 25, 2012	9.15 a.m.	Centrum, Centre-1, 1 st Floor, World Trade Centre, Cuffe Parade, Mumbai-400005.	—

(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 as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. 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.

As required under clause 49(VIII) of the listing agreement with Stock Exchanges, 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:

A detailed review of business risks and the Company's plan to mitigate them is presented to the Audit Committee and Board. The Company has been taking steps to mitigate foreseeable business risks. Business risk evaluation and management is an ongoing and continuous process within the Company and regularly updated to the Audit Committee and Board.

The Company has formulated a Risk Assessment & Management Policy, duly reviewed by the Audit Committee, establishing the philosophy of the Company towards risk identification, analysis and prioritization of risks, development of risk mitigation plans and reporting to the Board periodically. The Policy would be applicable to all the functions and departments of the Company. The Risk Assessment & Management Policy would be implemented through the establishment of the Risk Management Committee accountable to the Board of Directors. The Committee shall include the Managing Director ('MD') Chief Financial Officer, Chief Executive Officers, internal auditor of the Company and such other members as included by the Board/MD. The MD will be the Chairman of the Committee.

(d) **CEO/CFO Certification:**

Mr. Milan B.Khakhhar, Chairman and Managing Director and Mr. Manoj Dewani, Chief Financial Officer, have certified to the Board in accordance with Clause 49(IX) of the Listing Agreement pertaining to CEO/ CFO certification for the financial year ended 31st March, 2015.

(e) **Code of Conduct:**

The Board of Directors has adopted the Code of Ethics and Business Principles for Non-Executive Directors as also for the employees including Whole-time Directors and other members of Senior Management. The said Code has been communicated to all the Directors and members of the Senior Management.

(f) **Prevention of Insider Trading Code:**

The Company has adopted a Code of Conduct to regulate, monitor and report trading by insiders and code of practices and procedures for fair disclosures of unpublished price sensitive information in terms of Regulations 8(1), 9(1) and 9(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

All the Directors, employees at senior management level and other specified persons who could have access to unpublished price sensitive information of the Company are governed by this code.

(g) **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 2014-15.

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 25th AGM of the members of the company is scheduled to be held on 24th September, 2015 at "Orchid & Tulip", Centre 1, World Trade Centre, 1st Floor, Cuffe Parade, Mumbai-400005 at 9.15 a.m.

b) Financial Calendar for the year 2015-2016 (Provisional)

A	Unaudited Results for the first quarter ending on June 30, 2015	By 15 th of August, 2015
B	Unaudited Results for the second quarter ending on September 30, 2015	By 15 th of November, 2015
C	Unaudited Results for the third quarter ending on December 31, 2015	By 15 th of February, 2016
D	Results (Audited) for the financial Year ending March 31, 2016	By 30 th of May, 2016
E	Annual General Meeting for the year ending March 31, 2016	By end of September, 2016

c) Details of book closures:

From 19th September, 2015 to 24th September, 2015 (both days inclusive)

d) Dividend Payment

The Directors have not proposed any Dividend for the financial year ended 31st March, 2015

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 2015-2016 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 2014-2015 are as under :

Month	Quotation at Bombay Stock Exchange	
	High	Low
April, 2014	32.25	27.15
May, 2014	41.50	32.00
June, 2014	49.70	41.60
July, 2014	53.50	44.65
August, 2014	52.50	49.65
September, 2014	57.00	44.70
October, 2014	60.20	56.00
November, 2014	62.00	55.00
December, 2014	57.75	48.65
January, 2015	56.50	51.75
February, 2015	55.85	45.15
March, 2015	54.00	43.70

(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, 2015

Shares held	No.of Shareholders	% of Shareholders	No.of Shares held	% of Shares held
1-500	758	82.03	92,451	1.72
501 - 1000	47	5.09	39,325	0.73
1001 - 2000	33	3.57	52,379	0.97
2001 - 3000	8	0.87	20,359	0.38
3001 - 4000	7	0.76	26,838	0.50
4001 - 5000	10	1.08	45,730	0.85
5001 - 10000	13	1.41	99,547	1.85
10001 and above	48	5.19	50,03,371	93.00
Total	924	100.00	53,80,000	100.00

j) **Shareholding Pattern as on March 31, 2015**

Categories	No of Shares	% of shareholding
Promoters	36,96,400	68.706
Individuals	11,22,515	20.865
Domestic Cos.	5,61,085	10.429
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.

97.14 % of the Company's Share Capital is dematerialized as on 31st March, 2015.

l) The Company has not issued any GDRs/ADRs. No Bonds were outstanding as on 31st March, 2015.

m) **Address for correspondence:**

1501, Maker Chambers V, Nariman Point, Mumbai-400021.

Ph. 91 22 66115800

n) **ROC - Company Identity Number (CIN):**

U26960MH1990PLC056449

o) **Adoption of Non-Mandatory Requirements of Clause 49:**

The company complies with the following Non-mandatory requirements stipulated under Clause 49.

Audit Qualification:

The Company is in the regime of unqualified financial statements.

Whistle Blower Policy:

The company has a whistle blower mechanism wherein the employees are free to report violations of Laws, Rules, Regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. The confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practices.

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the year ended 31st March, 2015.

By Order of the Board of Directors

Milan B. Khakhar

Chairman & Managing Director

(DIN : 00394065)

Place : Mumbai

Date : 30th May, 2015

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members,

Solid Stone Company Limited

We have examined the compliance of conditions of Corporate Governance by Solid Stone Company Limited, for the year ended 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s), to the extent applicable to the Company. As per the eligibility criteria provided in the SEBI Circular CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 the new Clause 49 of the Listing Agreement is not applicable to the Company w.e.f 1st October 2014.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the 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 statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement, to the extent applicable.

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 ASHAR & CO.
CHARTERED ACCOUNTANTS
(ICAI Regn.No.129159W)

YOGESH ASHAR
PARTNER
(Mem.No.046259)

PLACE : MUMBAI

DATE : 30th MAY, 2015

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]

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 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 2014-15 (₹ in Lacs)	% increase in Remuneration in the Financial Year 2014-15	Ratio of Remuneration of each Director/ to median remuneration of employees
1	Mr.Milan Khakhar, Chairman & Managing Director	32.00	25%	13.17
2	Mr.Prakash Khakhar, Joint Managing Director	32.00	25%	13.17
3	Mrs.Vasumati Khakhar, Promoter & Non- Executive	xxx	xxx	0
4	Ms.Ashni Parekh, Non-Executive & Independent	xxx	xxx	0
5	Mr.K.Gopi Nair, Non-Executive & Independent	xxx	xxx	0
6	Mr.Gaurav Davda, Non-Executive & Independent	xxx	xxx	0
7	Mr.Manoj Dewani, Chief Financial Officer *	xxx	xxx	*
8	Mr.Hardik Valia, Company Secretary	1.98	10%	xxx

* Details not given as Mr. Manoj Dewani was Chief Financial Officer & Key Managerial Personnel only for part of the financial year 2014-15 i.e. from February 13, 2015

- ii. The median remuneration of employees of the Company during the financial year was ₹ 2.43 Lacs per annum. In the financial year 2014-15, there was an increase of 35 % in the median remuneration of employees;
- iii. There were 44 number of permanent employees on the rolls of Company as on March 31, 2015;
- 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 104.24% to ₹ 2851.40 Lacs as on March 31, 2015 from ₹ 1396.11 Lacs as on March 31, 2014.
- b) *Price Earnings ratio of the Company* was ₹ 13.28 as at March 31, 2015 and was ₹ 11.80 as at March 31, 2014.
- 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, 2015 was ₹ 53/- representing 53.33% increase over the IPO price of ₹ 15/-.
- vi. *Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 whereas the increase in the managerial remuneration for the same financial year:* There were no exceptional circumstances for increase in Managerial Remuneration as Managerial & Non Managerial levels were provided with similar increases.
- 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	Total
Aggregate remuneration of Key managerial personnel (KMP) in financial year 2014-15 (₹ in Lacs)	32.00	32.00	1.98	65.98

Revenue (₹ in Lacs)			5939.27	
Remuneration of KMPs (as % of revenue)	0.54%	0.54%	0.03%	1.11%
Profit before Tax (PBT) (₹ in Lacs)			328.16	
Remuneration of KMPs (as % of PBT)	9.75%	9.75%	0.60%	20.11%

- viii. *The key parameters for any variable component of remuneration availed by the directors:* The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- 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 31ST MARCH, 2015

(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
 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 of 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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 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:

- A. We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Solid Stone Company Limited for the financial year ended on 31st March, 2015, according to the provisions of:
- (i) The Companies Act, 2013, (the Act) and the rules made there under;
 - (ii) The Securities Contract (Regulation) Act, 1956, ('SCRA') and the rules made there under;
 - (iii) The Depositories Act, 1996, and the Regulations and Bye-laws framed thereunder as applicable during the financial year 2014-15;
 - (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; there were no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the year under review as applicable during the financial year 2014-15
 - (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 2014-15:

- (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;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrar 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
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
 - (vi) Other laws as are applicable to the Company as per representations made by the management.
- B. We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. The same was not notified till 31st March 2015.
 - (ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; - The Company has complied with the various provisions of Listing Agreement with BSE Limited where the Equity Shares of the Company are Listed.

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines 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 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 as per the explanations and clarifications given to us and representation made by management and relied upon us 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.

We further report that during the audit period there were no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc :

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

Date: 29th May, 2015
Place: Ahmedabad

Annexure I

To,
The Members
Solid Stone Company Limited

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 process 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 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 Accounts of the Company.
4. Where ever required, we obtained the Management representation about the Compliance of laws, rules and regulations, norms and standards and happening of events.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards 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 D.SHAH)
Practising Company Secretary
Proprietor
Membership No. A38194/ CP No.14215**

Date : 29th May, 2015
Place : Ahmedabad

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SOLID STONE COMPANY LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Solid Stone Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and 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.

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 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

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.

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.

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 the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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, 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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.
- (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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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. An amount of ₹ 0.56 Lacs is required to be transferred to the Investor Education and Protection Fund by the Company.

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

(Yogesh Ashar)
Partner
Mem. No. 046259

Place : Mumbai
Date : 30th May, 2015

Annexure to the Independent Auditors' Report

(Referred to in our report of even date to the members of Solid Stone Company Limited as at and for the year ended 31st March, 2015).

- i) In respect of its Fixed Assets:
- The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;
 - 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;
- ii) In respect of its inventories:
- The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As regards materials lying with third parties, confirmations have been obtained;
 - The procedures of physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the company and nature of its business;
 - The company is maintaining proper records of inventory. As informed, no material discrepancies were noticed on such physical verification.
- iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly the clauses 3(iii) (a) & (b) of the Order are not applicable;
- iv) In our opinion there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventories, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in internal control system, in respect of these areas.
- v) The Company has not accepted any deposit from public. We are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii) a) *There is no Provident Fund scheme and Employees State Insurance scheme in the company.* 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, and as on 31st March 2015, except delay in few cases. 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, 2015 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, the following dues have not been deposited by the Company on account of disputes

Name of the Statute	Nature of Dues	Financial Year	Amount (₹ in lacs)	Forum where dispute is pending
Income Tax	IT Matter under dispute	A.Y. 2009-10 (F.Y. 2008-09)	1.19	Income Tax Appellate Tribunal Mumbai Bench
Income Tax	IT Matter under dispute	A.Y. 2011-12 (F.Y. 2010-11)	1.84	Commissioner (Appeals)
Income Tax	IT Matter under dispute	A.Y. 2012-13 (F.Y. 2011-12)	2.64	Commissioner (Appeals)
Maharashtra VAT	VAT Matter under dispute	2008-2009	357.06	Deputy Commissioner (Appeals)

- c) An amount of ₹ 0.56 Lacs (P. Year Nil) to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 during the year is required to be transferred by the Company.
- viii) There are no accumulated losses of the Company as on 31st March, 2015. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix) The company has not defaulted in repayment of its dues to banks. The company does not have any borrowings from Financial Institutions or by way of debentures.
- x) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
- xi) The Company has applied funds from term loans raised during the year only for the purpose for which those term loans were raised.
- xii) On the basis of our examination and according to the information and explanations given to us, no fraud on or by the company, has been noticed or reported during the year.

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

(Yogesh Ashar)
Partner
Mem. No. 046259

Place : Mumbai
Date : 30th May, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

	Note	AS AT March 31, 2015 (₹ In '000s)	AS AT March 31, 2014 (₹ In '000s)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	53800.00	53800.00
Reserves & Surplus	4	130297.87	108845.36
		184097.87	162645.36
Non-Current Liabilities			
Long-Term Borrowings	5	7127.10	8696.16
Long-Term Provisions	6	2505.42	2158.90
Deferred Tax Liability	11	878.85	0.00
		10511.37	10855.06
Current Liabilities			
Short-Term Borrowings	7	117331.68	112753.45
Trade Payables	8	87153.31	28940.04
Other Current Liabilities	9	113896.63	87227.94
Short-Term Provisions	6	4059.87	7460.60
		322441.49	236382.03
TOTAL		517050.72	409882.45
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		34182.47	25796.99
Intangible Assets		0.00	1.40
		34182.47	25798.39
Deferred Tax Asset	11	0.00	3135.03
Non-Current Investments	12	11072.51	11072.51
Long-Term Loans & Advances	13	0.00	0.00
Other Non-Current Assets	14	21133.88	21533.32
		66388.86	61539.27
Current Assets			
Inventories	15	259464.53	225776.32
Trade Receivables	16	99932.09	57417.62
Cash & Bank Balances	17	3409.07	5134.18
Short-Term Loans & Advances	13	87660.40	59415.29
Other Current Assets	14	195.77	599.79
		450661.86	348343.19
TOTAL		517050.72	409882.45
Significant Accounting Policies	2		

The Notes are an integral part of these financial statements

In terms of our Report attached.

For ASHAR & CO
Chartered Accountants
(ICAI Regn.No.129159W)

YOGESH ASHAR
PARTNER
(Mem.No.046259)

MUMBAI:
DATED : 30th May, 2015

For and on Behalf of the Board of Directors

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, 2015

	Note	2014-15 (₹ In '000s)	2013-14 (₹ In '000s)
INCOME			
Revenue from operations (Gross)	18	575218.81	499186.98
Less:- Excise Duty		0.00	0.00
Revenue from operations (Net)		575218.81	499186.98
Other income	19	2056.37	731.68
Credit on account of change in depreciation method		16651.77	0.00
Total Revenue		593926.95	499918.65
EXPENSES			
Cost of materials consumed	20	5565.80	4078.66
Purchases of Stock in Trade	21	484383.44	426137.06
Changes in Inventory	22	-32647.48	-44168.39
Employee benefits expense	23	24871.12	22888.65
Finance costs	24	17976.12	12752.49
Depreciation & Amortisation expense	25	8454.07	5772.26
Other expenses	26	52507.91	53873.17
Total Expenses		561110.97	481333.89
PROFIT/(LOSS) BEFORE TAX		32815.98	18584.77
Tax Expense:			
Current tax		7000.00	6825.00
Deferred tax		4013.88	-367.28
Short/(Excess) Provision of Tax written Off /(back)		349.59	270.21
		11363.47	6727.93
PROFIT/(LOSS) FOR THE YEAR		21452.52	11856.84
Earnings per equity share:	27 (D)		
Basic & diluted		3.99	2.20

Significant Accounting Policies

2

The Notes are an integral part of these financial statements

In terms of our Report attached

For ASHAR & CO

Chartered Accountants

(ICAI Regn.No.129159W)

YOGESH ASHAR

PARTNER

(Mem.No.046259)

MUMBAI:

DATED : 30th May, 2015

For and on Behalf of the Board of Directors**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, 2015

	2014-15 (₹ In '000s)	2013-14 (₹ In '000s)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT / (LOSS) BEFORE TAX	32815.98	18584.77
Adjustment for :		
Depreciation	8454.07	5772.26
Credit on account of change in method of Depreciation	-16651.77	0.00
Preliminary Expenses written off	9.44	9.44
Interest Paid	16489.27	11475.63
Interest & Dividend Income	-40.50	-175.87
Loss / (Gain) on fixed assets sold/discarded (Net)	7.21	-22.64
Loss / (Gain) on Investments sold/discarded (Net)	0.00	0.00
	8267.71	17058.82
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	41083.69	35643.58
Decrease / (increase) in Trade Receivables, Short/Long Term Loans & Advances, Other Non-Current / Current Assets	-69965.56	16453.47
Decrease / (increase) in Inventories	-33688.21	-43501.63
Increase / (decrease) in Trade Payable, Long Term / Current Liabilities & Long / Short Term Provisions.	82926.88	-1354.76
	-20726.90	-28402.92
CASH GENERATED FROM OPERATIONS	20356.79	7240.66
Direct Taxes paid	-6877.33	-6521.68
NET CASH FROM OPERATING ACTIVITIES	13479.46	718.98
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible / Intangible Assets, Capital Work in Progress & Capital Advances	-196.57	-9172.37
Increase in Investments	0.00	-13.00
Proceeds from sale of Fixed Assets	3.00	72.11
Interest & Dividend income	40.50	175.87
NET CASH USED IN INVESTING ACTIVITIES	-153.07	-8937.39
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayments) / proceeds from Borrowings (Net)	4578.22	11403.98
Proceeds from Term Loan	463.33	11763.78
Interest paid	-16489.27	-11475.63
Dividend and Corporate Dividend Tax	-3603.78	-3746.29
NET CASH FROM FINANCING ACTIVITIES	-15051.49	7945.83
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-1725.10	-272.58
CASH AND CASH EQUIVALENTS AS AT 31.3.2014	5134.18	5406.76
CASH AND CASH EQUIVALENTS AS AT 31.3.2015	3409.07	5134.18

As per our attached Report of even date

For ASHAR & CO
Chartered Accountants
(ICAI Regn.No.129159W)

YOGESH ASHAR
PARTNER
(Mem.No.046259)

MUMBAI:
DATED : 30th May, 2015

For and on Behalf of the Board of Directors

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 2015**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.

All assets and liabilities have been classified as current or non-current as per criteria set out in the Schedule III to 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.

Change in Accounting Policy

The Depreciation on Tangible and Intangible Fixed Assets was hitherto provided on written down value method. Based on the past estimation, the use of such assets is expected to be relatively even over its estimated useful life and that there is no discernible pattern of decline in its service potential. Accordingly, the Company, in order to reflect a more appropriate presentation of financial statements, has changed the method of depreciation on such assets, existing as at 1st April 2014, to straight line basis. The decrease in the charge of accumulated depreciation arising from retrospective computation from the date of addition/installation of such assets, aggregating to ₹ 1,66,51,774 has been accounted and disclosed under separately.

Further, Effective 1st April 2014, the company has charged depreciation based on the revised remaining useful life of the assets as per the requirements of Schedule II of the Companies Act, 2013. Due to above, depreciation charge for the year ended 31st March 2015 is higher by ₹ 28,59,106/-. Consequently the profit for the year is lower by ₹ 28,59,106/- and the deferred tax charge being higher by ₹. 9,27,637/-.

Further, consequent to Notification GSR 627(E) dated August 29, 2014 amending Para 7(b) under Schedule II. Company has during the year, charged off transitional depreciation amounting to ₹ 4,19,162/- to Statement of Profit and Loss.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015**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.

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 at 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015**NOTE 3: SHARE CAPITAL**

	AS AT March 31, 2015 (₹ In '000s)	AS AT March 31, 2014 (₹ In '000s)
Authorised		
75,00,000 Equity Shares of ₹ 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 ₹ 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, 2015 ₹ In '000	Nos.	As at March 31, 2014 ₹ In '000
Equity shares at the beginning of the period	5380000	53800.00	5380000	53800.00
Issued during the period	—	—	—	—
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 ₹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	No. of Shares held	March 31, 2015 % to Total Shareholders	No. of Shares held	March 31, 2014 % to Total Shareholders
Prakash Bhagwandas Khakhar	1378895	25.63	1378895	25.63
Milan Bhagwandas Khakhar	808015	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

	March 31, 2015 (₹ In '000s)	March 31, 2014 (₹ In '000s)
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
	<u>500.00</u>	<u>500.00</u>
Surplus in the statement of profit and loss		
Balance as per last financial statement	51540.46	43460.22
Profit / loss for the year	21452.52	11856.84
Less:- Appropriations		
Proposed Dividend	0.00	3228.00
Corporate Tax on Dividend	0.00	548.60
Transfer to General Reserve	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
Closing Balance	<u>72992.97</u>	<u>51540.46</u>
	<u>130297.87</u>	<u>108845.36</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 5: LONG-TERM BORROWINGS

	Non Current ₹ in '000s		Current Maturities ₹ in '000s	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Secured				
Term Loans:				
From a Bank	0.00	0.00	0.00	261.60
Foreign Currency Loan from a Bank	0.00	0.00	0.00	0.00
Vehicle Loans: (Refer Note (a) below)	2531.22	3298.60	765.63	1242.31
Unsecured				
Loans from Banks and NBFC	4595.88	5397.56	5373.12	2602.44
Amounts disclosed under the head 'Other Current Liabilities' (Note 11)	0.00	0.00	-6138.75	-4106.36
	<u>7127.10</u>	<u>8696.16</u>	<u>0.00</u>	<u>0.00</u>

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	Instalment Amount (₹)
Axis Bank Limited	36	1-Jul-16	10.25%	19266
Daimler Financial Services India P. Ltd	36	14-Jun-16	12.11%	59500
Volkswagen Finance Private Limited	60	20-Jan-19	9.49%	13541
b. Unsecured Loan				
Kotak Mahindra bank Ltd.	24	10-Feb-17	17.50%	285677
Bajaj Finance Ltd.	36	5-Jun-17	19.50%	130475
Tata Capital Financial Services P.Ltd.	24	15-Apr-16	18.00%	149772

NOTE 6 : PROVISIONS

	Long-Term ₹ in '000s		Short-Term ₹ in '000s	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Provision for employee benefits				
Gratuity	2505.42	2158.90	145.67	179.86
Tax (Net of advance Tax paid)	0.00	0.00	3914.20	3504.15
Proposed Dividend	0.00	0.00	0.00	3228.00
Corporate Tax on Dividend	0.00	0.00	0.00	548.60
	<u>2505.42</u>	<u>2158.90</u>	<u>4059.87</u>	<u>7460.60</u>

NOTE 7 : SHORT-TERM BORROWINGS

	₹ in '000s	₹ in '000s
	March 31, 2015	March 31, 2014
Secured		
Working Capital Facilities from Banks	97401.68	98883.45
Unsecured		
Loans from Directors and Related Parties	19930.00	13870.00
	<u>117331.68</u>	<u>112753.45</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).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 8 : TRADE PAYABLES

	₹ in '000s March 31, 2015	₹ in '000s March 31, 2014
Trade Payables (Refer Note 27 (C))	87153.31	28940.04
	<u>87153.31</u>	<u>28940.04</u>

NOTE 9 : OTHER CURRENT LIABILITIES

	₹ in '000s March 31, 2015	₹ in '000s March 31, 2014
Current maturities of long term borrowings (Note 5)	6138.75	4106.36
Security Deposit	99584.64	74903.09
Statutory dues :		
Service Tax	121.75	319.14
Withholding Taxes	530.16	528.11
Others - VAT and Central Sales Tax	919.84	1106.52
Other payables:		
Liabilities for expenses	5978.91	5814.98
Unclaimed Dividend	622.57	449.75
	<u>113896.63</u>	<u>87227.94</u>

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

NOTE 10 : FIXED ASSETS

₹ in '000s											
GROSS BLOCK					DEPRECIATION					NET BLOCK	
Nature of Fixed Assets	Cost/Value as at 1/4/2014	Additions	Deductions/ Adjustments	Cost/Value as at 31/3/2015	UPTO 31/3/2014	Adjustment due to change in method from WDV to SLM**	Provided during the year	Deductions/ Adjustments	UPTO 31/3/2015	AS AT 31/3/2015	AS AT 31/3/2014
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 (4425.11)	0.00 (90.26)	0.00 (0.00)	4515.38 (4515.38)	3010.68 (2848.52)	-1147.05 (0.00)	149.18 (162.16)	0.00 (0.00)	2012.80 (3010.68)	2502.58 (1504.70)	1504.70 (1576.60)
Plant & Machinery	8207.48 (7898.98)	0.00 (308.50)	0.00 (0.00)	8207.48 (8207.48)	6077.00 (5754.70)	-1497.90 (0.00)	410.17 (322.30)	0.00 (0.00)	4989.27 (6077.00)	3218.21 (2130.48)	2130.48 (2144.28)
Furniture & Fixtures	29407.29 (29407.29)	0.00 (0.00)	0.00 (0.00)	29407.29 (29407.29)	19741.39 (17605.22)	-8904.93 (0.00)	4122.02 (2136.17)	0.00 (0.00)	14958.49 (19741.39)	14448.81 (9665.90)	9665.90 (11802.07)
Computer	2408.79 (1806.19)	52.90 (602.60)	0.00 (0.00)	2461.69 (2408.79)	1787.45 (1500.65)	-210.04 (0.00)	424.70 (286.80)	0.00 (0.00)	2002.11 (1787.45)	459.59 (621.35)	621.35 (305.55)
Office Equipment	5381.02 (5222.43)	143.67 (158.59)	15.70 (0.00)	5508.99 (5381.02)	3308.27 (2979.47)	-1438.18 (0.00)	492.10 (328.80)	5.49 (0.00)	2356.70 (3308.27)	3152.29 (2072.75)	2072.75 (2242.95)
Vehicles	18148.25 (12510.48)	0.00 (6092.49)	0.00 (454.72)	18148.25 (18148.25)	10033.94 (8277.57)	-3213.63 (0.00)	2718.38 (2161.62)	0.00 (405.25)	9538.68 (10033.94)	8609.57 (8114.32)	8114.32 (4232.92)
Speed Boat	1919.92 (0.00)	0.00 (1919.92)	0.00 (0.00)	1919.92 (1919.92)	373.46 (0.00)	-241.44 (0.00)	137.53 (373.46)	0.00 (0.00)	269.55 (373.46)	1650.37 (1546.46)	1546.46 (0.00)
Total Tangible Assets	70129.18	196.57	15.70	70310.05	44332.19	-16653.18	8454.07	5.49	36127.59	34182.46	25796.99
Previous year	61411.53	9172.37	454.72	70129.18	38966.12	0.00	5771.32	405.25	44332.19	25796.99	22445.41
Intangible Assets											
Computer Software	37.44 (37.44)	0.00 (0.00)	0.00 (0.00)	37.44 (37.44)	36.04 (35.10)	1.40 (0.00)	0.00 (0.94)	0.00 (0.00)	37.44 (36.04)	0.00 (1.40)	1.40 (2.34)
Total Intangible Assets	37.44	0.00	0.00	37.44	36.04	1.40	0.00	0.00	37.44	0.00	1.40
Previous year	37.44	0.00	0.00	37.44	35.10	0.00	0.94	0.00	36.04	1.40	2.34
Grand Total										34182.47	25798.39

* Figures in bracket indicate figures of previous year

** The Company, has changed the method of depreciation on assets, existing as at 1st April 2014, to straight line basis. The decrease in the charge of accumulated depreciation till 1st April, 2014 has been reflected as a credit to the Profit and Loss Account

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

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

	₹ in '000s March 31, 2015	₹ in '000s March 31, 2014
The breakup of Deferred Tax Asset: Arising on account of timing difference in:		
- Depreciation	(1738.99)	2376.22
- Accrued Expenses allowable on Actual Payments	860.15	758.81
Deferred Tax Asset/(Liability)	<u>(878.85)</u>	<u>3135.03</u>

NOTE 12 : NON-CURRENT INVESTMENTS

	₹ in '000s March 31, 2015	₹ in '000s March 31, 2014
<i>Trade - Unquoted - Fully Paid</i> 20000 Equity shares of GBP 1/- each of Granitexx UK Limited.	1609.51	1609.51
<i>Trade - Unquoted - Fully Paid</i> 520 Equity Shares of ₹ 25/- each Shreeji Bhatia Co-operative Bank	13.00	13.00
<i>Non Trade - Unquoted - Fully Paid</i> 270000 Equity shares of ₹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 ₹ in '000s		Short Term ₹ in '000s	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Unsecured, Considered Good				
Loan to Employees	—	—	72.60	212.00
Advances Recoverable in cash or in kind	—	—	30932.68	34266.53
Advance to Suppliers	—	—	54117.15	21566.20
Other loans and advances:				
Balances with Custom and Excise authorities	—	—	2537.98	3370.56
Advance payment of Income Tax / Tax Deducted at Source (after adjusting provision)	—	—	0.00	0.00
	<u>—</u>	<u>—</u>	<u>87660.40</u>	<u>59415.29</u>

NOTE 14 : OTHER ASSETS

	Non-Current ₹ in '000s		Current ₹ in '000s	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Unsecured, Considered Good				
Interest accrued on fixed Deposits	—	—	2.41	32.81
Prepaid Expenses	—	—	158.92	122.80
Deposits	21124.44	21514.44	25.00	434.75
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	9.44	18.88	9.44	9.44
	<u>21133.88</u>	<u>21533.32</u>	<u>195.77</u>	<u>599.79</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 15: INVENTORIES

	₹ in '000s March 31, 2015	₹ in '000s March 31, 2014
At lower of cost and net realisable value		
Raw materials	3687.00	2696.02
Stock-in-process	0.00	0.00
Finished goods	255708.93	223061.45
Tools and Stores	68.59	18.85
	<u>259464.53</u>	<u>225776.32</u>

NOTE 16: TRADE RECEIVABLES

	₹ in '000s March 31, 2015	₹ in '000s March 31, 2014
Unsecured, Considered Good		
Overdue for a period exceeding six months	49266.04	33106.61
Others	50666.05	24311.00
	<u>99932.09</u>	<u>57417.62</u>

NOTE 17: CASH & BANK BALANCES

	Non-current ₹ in '000s		Current ₹ in '000s	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Cash & Cash equivalents:				
Balances with banks;				
In Current Accounts	—	—	2292.36	604.15
Cash on hand	—	—	376.76	1497.92
	<u>—</u>	<u>—</u>	<u>2669.11</u>	<u>2102.07</u>
Other Bank Balances;				
In Deposit Accounts (more than 12 months maturity)	—	—	—	—
In Deposit Accounts (more than 3 months but less than 12 months maturity)	—	—	117.39	2582.35
In unclaimed Dividend Account	—	—	622.57	449.75
	<u>—</u>	<u>—</u>	<u>739.96</u>	<u>3032.11</u>
Amounts disclosed under 'Non Current Assets' (Note 15)	—	—	—	—
	<u>—</u>	<u>—</u>	<u>3409.07</u>	<u>5134.18</u>

NOTE 18: REVENUE FROM OPERATIONS

	₹ in '000s 2013-15	₹ in '000s 2012-14
Sales:		
- Goods	567961.42	493995.18
- Services including labour charges	7257.39	5191.80
Other Operating Revenues	0.00	0.00
	<u>575218.81</u>	<u>499186.98</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 19 : OTHER INCOME

	₹ in '000s March 31, 2015	₹ in '000s March 31, 2014
Interest:On Fixed Deposits with Bank	40.50	175.87
Unspent Liabilities/Sundry balances written back (net)	1815.53	502.25
Profit on Sale of Fixed Assets	0.00	22.64
Miscellaneous Receipts	200.35	30.91
	<u>2056.37</u>	<u>731.68</u>

NOTE 20 : COST OF MATERIALS CONSUMED

	₹ in '000s March 31, 2015	₹ in '000s March 31, 2014
Cost of Materials Consumed		
Opening Stock	2696.02	3371.27
Add: Purchases	6556.78	3403.41
	<u>9252.80</u>	<u>6774.68</u>
Less: Closing Stock	3687.00	2696.02
	<u>5565.80</u>	<u>4078.66</u>
Details of Raw Materials consumed		
Granite	1429.78	1063.34
Slate	1089.49	921.49
Semi Precious	3046.53	2093.84
	<u>5565.80</u>	<u>4078.66</u>

NOTE 21 : PURCHASES OF STOCK IN TRADE

	₹ in '000s March 31, 2015	₹ in '000s March 31, 2014
Purchases of Stock in Trade		
Granite	1885.84	528.16
Marble	477136.76	416505.91
Mosaics	2485.65	2712.89
Sealants	127.98	23.44
Semi Precious	112.56	47.43
Slate	2433.19	3965.25
Wood	185.21	2353.97
Other Misc.Items	16.25	0.00
Total	<u>484383.44</u>	<u>426137.06</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 22 : CHANGES IN INVENTORY OF FINISHED GOODS

	₹ in '000s March 31, 2015	₹ in '000s March 31, 2014
Closing Stock:		
Finished Goods - Manufactured	2722.83	2587.12
Finished Goods - Traded	252986.11	220474.33
	<u>255708.93</u>	<u>223061.45</u>
Less: Opening Stock:		
Finished Goods - Manufactured	2587.12	2739.53
Finished Goods - Traded	220474.33	176153.53
	<u>223061.45</u>	<u>178893.06</u>
Differential Excise Duty on Opening and Closing stock of Finished Goods	0.00	0.00
	<u><u>-32647.48</u></u>	<u><u>-44168.39</u></u>

Details of Inventory

Class of Goods	₹ in '000s					
	Sales	Manufactured Goods		Traded Goods		
		Opening Stock	Closing Stock	Opening Stock	Closing Stock	
Granite	5346.44	394.62	—	2674.52	2674.52	
Marble	548883.93	—	—	213521.41	245460.44	
Mosaics	5044.69	—	—	584.74	1479.79	
Sealants	117.96	—	—	1228.34	1334.42	
Semi Precious	3810.14	2192.50	2722.83	1980.42	1322.62	
Slate	4405.18	—	—	484.90	714.32	
Wood	353.08	—	—	—	—	
TOTAL	<u>567961.42</u>	<u>2587.12</u>	<u>2722.83</u>	<u>220474.33</u>	<u>252986.11</u>	

NOTE 23 : EMPLOYEE BENEFITS EXPENSE

	₹ in '000s 2014-15	₹ in '000s 2013-14
Salaries, Wages, Bonus, and Allowances	24310.00	22382.05
Company's Contribution to Provident, Gratuity and Other Funds (Refer Note (a) below)	312.33	381.78
Welfare Expenses	248.80	124.82
	<u>24871.12</u>	<u>22888.65</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

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		Unfunded	
	31/3/2015	31/3/2014	31/3/2015	31/3/2014
Service Cost	307.92	319.71	-	-
Interest Cost	187.10	156.56	-	-
Expected return on plan assets	0.00	0.00	-	-
Net Actuarial (Gain) / Loss	182.69	94.49	-	-
Net Cost	312.33	381.78	-	-

* 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	2651.09	2338.76	-	-
Fair value of plan assets	0.00	0.00	-	-
Net asset / (liability) as at 31st March, recognised in the Balance Sheet	-2651.09	-2338.76	-	-
c. Balance Sheet reconciliation				
Opening net asset / (liability)	-2338.76	-1956.98		
Expenses as above	-312.33	-381.78		
Employers contribution	0.00	0.00		
Closing net asset / (liability) recognised in the Balance Sheet	-2651.09	-2338.76		

d. The principal actuarial assumptions	Gratuity		Pension	
	31/3/2015	31/3/2014	31/3/2015	31/3/2014
Discount rate	8% p.a.	8% 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	31/3/2015	31/3/2014	31/3/2015	31/3/2014
Defined Benefit Obligation	2651.09	2338.76	0.00	0.00
Plan Assets	0.00	0.00	0.00	0
Surplus / (Deficit)	-2651.09	-2338.76	0.00	0.00
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

	₹ in '000s 2014-15	₹ in '000s 2013-14
Interest	16489.27	11475.63
Bank Charges	1486.86	1276.85
	17976.12	12752.49

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 25 : DEPRECIATION & AMORTISATION EXPENSE

	₹ in '000s 2014-15	₹ in '000s 2013-14
Depreciation on tangible assets	8454.07	5771.32
Amortisation on intangible assets	0.00	0.94
	8454.07	5772.26

NOTE 26 : OTHER EXPENSES

	₹ in '000s 2014-15	₹ in '000s 2013-14
Tools and Stores Consumed	1637.28	1056.45
Packing Materials consumed	45.12	125.33
Power and Fuel	2231.77	2351.42
Repairs and Renewals:		
Buildings / Premises	120.69	165.64
Plant and Machinery	13.93	495.71
Other Assets	277.99	29.50
Insurance	458.36	507.37
Rent	8806.87	10634.91
Printing and Stationery	398.56	426.68
Travelling & Conveyance	7502.13	9998.70
Postage & Courier Expenses	188.96	193.86
Telephone Expenses	1315.03	1322.15
Legal & Professional Charges	4226.17	3867.19
Auditors' Remuneration:		
As Auditors:		
Audit fee	239.40	179.78
Reimbursement of Expenses etc.	0.00	0.00
	239.40	179.78
VAT & CST Paid	17323.83	15247.80
Service Tax	80.89	16.75
Bad Debts	584.41	131.03
Entertainment Expenses	693.59	599.02
Vehicle Expenses	539.27	730.78
Directors' Sitting Fees	74.00	80.00
Freight and Forwarding (Net)	1596.99	2135.83
Net Loss on Foreign Currency transactions	555.82	407.82
Loss on fixed assets sold / discarded (Net)	7.21	0.00
Miscellaneous Expenses	3589.64	3169.47
	52507.91	53873.17

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 ₹1.19 lacs (Prev.Yr. ₹ 1.19 lacs) [Appeal filed with the Income Tax Appellate Tribunal, Mumbai for Assessment Year 2009-10]
 - Income Tax ₹1.84 lacs (Prev.Yr. ₹ 1.84) [Appeal filed with the C.I.T.(Appeals), Mumbai for Assessment Year 2011-12]
 - Income Tax ₹ 2.64 lacs (Prev.Yr. ₹ Nil) [Appeal filed with the C.I.T.(Appeals), Mumbai for Assessment Year 2012-13]
 - Maharashtra VAT ₹ 357.06 lacs (Prev. Yr. ₹ Nil) [Appeal filed with Deputy Commissioner of Sales Tax (Appeals) for the Financial year 2008-2009]
- 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

C Under the 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.

	2014-15	2013-14
D Earnings Per Share:		
Profit/(Loss) after taxation and refund of income tax.(₹ in lacs)	214.53	118.57
Number of Equity Shares (Face Value ₹10/-)	5380000	5380000
Earning Per Share in Rupees - Basic & diluted	3.99	2.20

E Related Party Disclosure:

a) List of Parties which significantly influence / are influenced by the company (either individually or with others) :-

1) Relationships :

(a) Key Management Personnel :

Mr. Milan B. Khakhar
Mr. Prakash B. Khakhar

(b) Subsidiaries :

Granitexx UK Ltd.,U.K.
Stone Source GB Ltd.,U.K.

(c) Associate Concern :

Global Instile Solid Industries Ltd.

(d) Relatives of Key Management personnel and Enterprise owned and significantly influenced by Key Management personnel or their relatives

Milan Marble & Tiles
Vasumati B. Khakhar
Jeenoo Khakhar
Shraddha Khakhar

Note : Related party relationship on the basis of the requirements of Accounting Standard 18 (AS-18) is as identified by the Company and relied upon by the Auditors

2) Transactions carried out with Related parties referred to in 1 above, in ordinary course of business :

NATURE OF TRANSACTIONS	RELATED PARTIES (₹ in'000s)							
	Key Management Personnel		Subsidiaries		Associate Concern		Relatives of Key Management personnel and Enterprise owned and significantly influenced by Key Management personnel or their relatives	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
PURCHASES :								
Goods and Material	—	—	—	—	5605.37	37874.46	—	—
SALES :								
Goods and Material	—	—	362.78	295.33	—	3235.90	—	—
EXPENSES :								
Rent	360.00	360.00	—	—	—	—	240.00	240.00
Remuneration & Allowances	6460.00	4860.00	—	—	—	—	960.00	960.00
Directors' fees	—	—	—	—	—	—	18.00	18.00
INCOME :	—	—	—	—	—	—	—	—
OUTSTANDINGS :								
Payable	941.50	162.00	—	—	—	—	229.50	90.00
Receivable	—	—	3325.76	3334.22	14414.93	5103.42	—	—
LOANS :								
Payable	19830.00	13870.00	—	—	—	—	100.00	—
Receivable	—	—	—	—	—	—	—	—
Taken	53000.00	25500.00	—	—	—	—	100.00	—
Re-Paid	47040.00	15930.00	—	—	—	—	—	—
DEPOSITS :								
Given	7500.00	7500.00	—	—	—	—	10000.00	10000.00
GUARANTEES :								
Given	—	—	—	—	—	—	—	—
Taken	230000.00	230000.00	—	—	115000.00	115000.00	—	—

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 27 : OTHER ADDITIONAL NOTES / INFORMATION

Sr. No.	Nature of Transaction	Key Management Personnel		Subsidiaries		Associate Concern	(₹ in '000s) Relatives of Key Management personnel and Enterprise owned and significantly influenced by Key Management personnel or their relatives			
		Milan Khakhar	Prakash Khakhar	Granitexx UK Ltd., U.K.	Stone Source GB Ltd., U.K.		Global Instile Solid Industries Ltd.	Milan Marble & Tiles	Vasumati Khakhar	Jeenoo Khakhar
1	Payments to & provision for :									
a)	Director's Remuneration & Allowance	3230.00 (2430.00)	3230.00 (2430.00)	— —	— —	— —	— —	— —	480.00 (480.00)	480.00 (480.00)
b)	Rent	180.00 (180.00)	180.00 (180.00)	— —	— —	— —	240.00 (240.00)	— —	— —	— —
c)	Director's Fees	— —	— —	— —	— —	— —	— —	18.00 (18.00)	— —	— —
2	a) Loans Taken	52450.00 (18700.00)	550.00 (6800.00)	— —	— —	— —	100.00 —	— —	— —	— —
b)	Loans refunded	45725.00 (14065.00)	1315.00 (1865.00)	— —	— —	— —	— —	— —	— —	— —
c)	Loans Payable	15660.00 (8935.00)	4170.00 (4935.00)	— —	— —	— —	— —	100.00 —	— —	— —
3	Purchase of Goods	— —	— —	— —	— —	5605.37 (37874.46)	— —	— —	— —	— —
4	Sale of Goods	— —	— —	— —	362.78 (295.33)	— (3235.90)	— —	— —	— —	— —
5	Deposits Receivable as on 31st March	3750.00 (3750.00)	3750.00 (3750.00)	— —	— —	— —	10000.00 (10000.00)	— —	— —	— —
6	Outstanding Payable as on 31st March	238.00 (81.00)	703.50 (81.00)	— —	— —	— —	108.00 (54.00)	54.00 (36.00)	36.50 —	31.00 —
7	Outstanding Receivable as on 31st March	— —	— —	792.81 (856.18)	2532.95 (2478.03)	14414.93 (5103.42)	— —	— —	— —	— —
8	Outstanding Guarantee taken as on 31st March	115000.00 (115000.00)	115000.00 (115000.00)	— —	— —	115000.00 (115000.00)	— —	— —	— —	— —

(figures in Brackets relate to previous year)

F Remuneration to Directors

	₹ in '000s 2014-15	₹ in '000s 2013-14
1) Nature of transactions:		
Remuneration to Directors	6400.00	4800.00
Remuneration	60.00	60.00
Perquisites		

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

H Remuneration to Auditors

	₹ in '000s 2014-15	₹ in '000s 2013-14
Audit Fees (inclusive of Service Tax)	239.40	179.78
Total	239.40	179.78

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

	2014-15		2013-14	
	₹ in '000s	% to Total	₹ in '000s	% to Total
1. Raw Materials				
Indigenous	5565.80	100.00	4078.66	100.00
Imported	0.00	0.00	0.00	0.00
	5565.80	100.00	4078.66	100.00
2. Stores & Consumables				
Indigenous	1637.28	100.00	1056.45	100.00
Imported	0.00	0.00	0.00	0.00
	1637.28	100.00	1056.45	100.00

	2014-15 ₹ in '000s	2013-14 ₹ in '000s
J Value of Imports on CIF Basis:		
1. Finished Products	36711.30	79991.69

K Expenditure in Foreign Currency (on cash basis):		
1. Travelling	4235.32	5192.35
2. Trading Goods Imports	36711.30	79991.69

L Earnings in Foreign Currency -		
1. Export of goods on F.O.B. basis (incl. Deemed Export)	4347.54	146.85
2. Others	5987.64	3549.67

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 :

Particulars	₹ in '000s 31/3/2015	₹ in '000s 31/3/2014
Not Later than One Year	606	757
Later than One year and not later than five year	NIL	NIL
Later than Five year	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.

As per our attached Report of even date

For ASHAR & CO
Chartered Accountants
(ICAI Regn.No.129159W)

For and on Behalf of the Board of Directors

YOGESH ASHAR
PARTNER
(Mem.No.046259)

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

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

MUMBAI:
DATED : 30th May, 2015

M.D.DEWANI
Chief Financial Officer

H.D.VALIA
Company Secretary

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

We have audited the accompanying consolidated financial statements of Solid Stone Company Limited ("the Holding Company"), and its subsidiaries Granitexx UK Limited and Stone Source GB Limited, (the Holding Company and its subsidiaries constitute "the Group"), its associate, Global Instile Solid Industries Limited which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements.

The Holding 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 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 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. 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 of the assets of the Group 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, 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

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.

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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us together with certified financial statements of the subsidiaries as referred to in Other Matters Para below are sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 state of affairs of the Group as at 31st March, 2015, its consolidated profit and its consolidated cash flows for the year ended on that date.

Other Matter

We did not audit financial statements of the subsidiaries which, in the aggregate represent total assets as at March 31, 2015 of Rs. 97.94 Lacs, total revenue of Rs. 46.57 Lacs, net Cash outflow of Rs. 16.05 Lacs and Net Loss of Rs. 18.33 Lacs for the year ended on that date. These financial statements have been certified by other auditors whose reports have been furnished to us and our report in terms of sub section (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the Comments in the Auditor's Report of the Holding Company and its subsidiary read together with Other Matters in Para referred to above, we give in the annexure, a statement on matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, based on the Comments in the Auditor's Report of the Holding Company and on consideration of the Auditors Report of the subsidiary company, read together with Other Matters in Para referred to above, 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 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. 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.
 - (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) Based on the relevant assertion contained in the audit report on the standalone financial statements of the subsidiary company, none of the directors of the subsidiary Company are disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the statutory auditors of its subsidiary companies, associated companies incorporated in India, none of the directors of the group companies, its associates incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (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, and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of subsidiary companies, as noted in the 'Other Matter' paragraph;
 - i. The Consolidated Financial Statements disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 27A to the financial statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. An amount of ₹ 0.56 Lacs is required to be transferred to the Investor Education and Protection Fund by the Group.

For Ashar & Co
Chartered Accountants
 (Firm Regn. No. 129159W)
(Yogesh Ashar)
Partner
 Mem. No. 046259

Place : Mumbai
 Date : 30th May, 2015

Annexure to the Independent Auditors' Report on the Consolidated Financial Statements

(Referred to in our report of even date to the members of Solid Stone Company Limited as at and for the year ended 31st March, 2015).

- i) In respect of its Fixed Assets:
 - a) The Group 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;
- ii) In respect of its inventories:
 - a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As regards materials lying with third parties, confirmations have been obtained;

- b) The procedures of physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the company and nature of its business;
- c) The Group is maintaining proper records of inventory. As informed, no material discrepancies were noticed on such physical verification.
- iii) The Group has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly the clauses 3(iii) (a) & (b) of the Order are not applicable;
- iv) In our opinion there are adequate internal control procedures commensurate with the size of the Group and the nature of its business with regard to purchase of inventories, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in internal control system, in respect of these areas.
- v) The Group has not accepted any deposit from public. We are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- vi) We have broadly reviewed the books of account maintained by the Group pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii) a) *There is no Provident Fund scheme and Employees State Insurance scheme in the Group.* According to the records of the Group, 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, and as on 31st March 2015, except delay in few cases. 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, 2015 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, the following dues have not been deposited by the Group on account of disputes

Name of the Statute	Nature of Dues	Financial Year	Amount (₹in lacs)	Forum where dispute is pending
Income Tax	IT Matter under dispute	A.Y. 2009-10 (F.Y. 2008-09)	1.19	Income Tax Appellate Tribunal Mumbai Bench
Income Tax	IT Matter under dispute	A.Y. 2011-12 (F.Y. 2010-11)	1.84	Commissioner (Appeals)
Income Tax	IT Matter under dispute	A.Y. 2012-13 (F.Y. 2011-12)	2.64	Commissioner (Appeals)
Maharashtra VAT	VAT Matter under dispute	2008-2009	357.06	Deputy Commissioner (Appeals)

- c) An amount of ₹ 0.56 lacs (P. Year ₹ Nil) to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 during the year is required to be transferred by the Group.
- viii) The holding company has no accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year as well as immediately preceding financial year. However, one of the subsidiary company has accumulated losses and its net worth is negative. Further, the subsidiaries have incurred cash losses in the current financial year as well as immediately preceding financial year.
- ix) The Group has not defaulted in repayment of its dues to banks. The Group does not have any borrowings from Financial Institutions or by way of debentures.
- x) According to the information and explanations given to us, the Group has not given any guarantee for loans taken by others from banks and financial institutions.
- xi) The Group has applied funds from term loans raised during the year only for the purpose for which those term loans were raised.
- xii) On the basis of our examination and according to the information and explanations given to us, no fraud on or by the Group, has been noticed or reported during the year.

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

(Yogesh Ashar)
Partner
Mem. No. 046259

Place : Mumbai
Date : 30th May, 2015

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

	Note	AS AT 31ST MARCH,2015 (₹ in '000s)	AS AT 31ST MARCH,2014 (₹ in '000s)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	53800.00	53800.00
Reserves & Surplus	4	124757.44	104320.69
		178557.44	158120.69
Non-Current Liabilities			
Long-Term Borrowings	5	7127.10	8696.16
Long-Term Provisions	6	2505.42	2158.90
Deferred Tax Liability	11	1086.33	0.00
		10718.85	10855.06
Current Liabilities			
Short-Term Borrowings	7	120728.25	115924.48
Trade Payables	8	88294.47	29857.23
Other Current Liabilities	9	114814.14	87591.89
Short-Term Provisions	6	4059.87	7460.60
		327896.73	240834.21
TOTAL		517173.02	409809.96
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		34730.14	26436.48
Intangible Assets		0.00	1.40
		34730.14	26437.88
Deferred Tax Asset	11	0.00	3135.03
Non-Current Investments	12	10190.64	9633.77
Long-Term Loans & Advances	13	0.00	0.00
Other Non-Current Assets	14	21133.88	21533.32
		66054.66	60740.00
Current Assets			
Inventories	15	261393.41	228376.40
Trade Receivables	16	97025.21	54144.91
Cash & Bank Balances	17	4548.82	6198.47
Short-Term Loans & Advances	13	87660.40	59425.58
Other Current Assets	14	490.53	924.60
		451118.36	349069.96
TOTAL		517173.02	409809.96
Significant Accounting Policies	2		
The Notes are an integral part of these financial statements			

In terms of our Report attached

For ASHAR & COChartered Accountants
(ICAI Regn.No.129159W)**YOGESH ASHAR**

PARTNER

(Mem.No.046259)

MUMBAI:

DATED : 30th May, 2015

For and on Behalf of the Board of Directors

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

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note	2014-15 (₹ in '000s)	2013-14 (₹ in '000s)
INCOME			
Revenue from operations (Gross)	18	579248.11	502614.24
Less:- Excise Duty		0.00	0.00
Revenue from operations (Net)		579248.11	502614.24
Other income	19	2056.37	731.68
Credit on account OF change in depreciation method		16651.77	0.00
Total Revenue		597956.26	503345.92
EXPENSES			
Cost of materials consumed	20	5565.80	4078.66
Purchases of Stock in Trade	21	486980.73	428363.54
Changes in Inventory	22	-31976.28	-44246.99
Employee benefits expense	23	25603.40	24046.71
Finance costs	24	17976.12	12796.62
Depreciation & Amortisation expense	25	8545.88	5904.36
Other expenses	26	54275.63	56110.50
Total Expenses		566971.28	487053.40
PROFIT/(LOSS) BEFORE TAX		30984.97	16292.52
Tax Expense:			
Current tax		7000.00	6825.00
Deferred tax		4221.36	-367.28
Short/(Excess) Provision of Tax written Off /(back)		349.59	270.21
		11570.95	6727.93
Add/(Less) :			
Share of Profit/(Loss) of Minority Interest		—	—
Share of Profit / (Loss) of Associate Company		556.87	170.77
PROFIT/(LOSS) FOR THE YEAR		19970.89	9735.36
Earnings per equity share:	27 (D)		
Basic & diluted		3.71	1.81
Significant Accounting Policies	2		
The Notes are an integral part of these financial statements			

In terms of our Report attached
For ASHAR & CO
Chartered Accountants
(ICAI Regn.No.129159W)

YOGESH ASHAR
PARTNER
(Mem.No.046259)

MUMBAI:
DATED : 30th May, 2015

For and on Behalf of the Board of Directors

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	2014-15		2013-14	
	(₹ in '000s)	(₹ in '000s)	(₹ in '000s)	(₹ in '000s)
A. CASH FLOW FROM OPERATING ACTIVITIES :				
NET PROFIT / (LOSS) BEFORE TAX		30984.97		16292.52
Adjustment for :				
Depreciation	8545.88		5904.36	
Credit on account of change in method of Depreciation	-16651.77		0.00	
Preliminary Expenses written off	9.44		9.44	
Interest Paid	16489.27		11475.63	
Interest & Dividend Income	-40.50		-175.87	
Loss / (Gain) on fixed assets sold/discarded (Net)	7.21		-22.64	
Loss / (Gain) on Investments sold/discarded (Net)	0.00	8359.52	0.00	17190.92
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		39344.49		33483.44
Decrease / (increase) in Trade Receivables, Short / Long Term Loans & Advances, Other Non-Current / Current Assets	-70291.06		17021.57	
Decrease / (increase) in Inventories	-33017.00		-43580.23	
Increase / (decrease) in Trade Payable, Long Term / Current Liabilities & Long / Short Term Provisions.	83704.40	-19603.65	-1074.32	-27632.98
CASH GENERATED FROM OPERATIONS		19740.84		5850.46
Direct Taxes paid		-6877.33		-6487.10
NET CASH FROM OPERATING ACTIVITIES		12863.51		-636.64
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Tangible / Intangible Assets, Capital Work in Progress & Capital Advances	-196.57		-9172.37	
Increase in Investments	0.00		-13.00	
Proceeds from sale of Fixed Assets	3.00		72.11	
Interest & Dividend income	40.50		175.87	
NET CASH USED IN INVESTING ACTIVITIES		-153.07		-8937.39
C. CASH FLOW FROM FINANCING ACTIVITIES				
(Repayments) / proceeds from Borrowings (Net)	4803.77		12293.40	
Proceeds from Term Loan	463.33		11763.78	
Foreign Currency Translation Reserve	465.85		-955.11	
Interest paid	-16489.27		-11475.63	
Dividend and Corporate Dividend Tax	-3603.78		-3746.29	
NET CASH FROM FINANCING ACTIVITIES		-14360.09		7880.15
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		-1649.66		-1693.88
CASH AND CASH EQUIVALENTS AS AT 31.3.2014		6198.47		7892.35
CASH AND CASH EQUIVALENTS AS AT 31.3.2015		4548.82		6198.47

In terms of our Report attached

For ASHAR & CO
Chartered Accountants
(ICAI Regn.No.129159W)

YOGESH ASHAR
PARTNER
(Mem.No.046259)

MUMBAI:
DATED : 30th May, 2015

For and on Behalf of the Board of Directors

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015**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 operates 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. 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, 2015.

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.

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, 2015
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 Associate Company	Country of Incorporation	% of holding as at March 31, 2015
1.	Global Instile Solid Industries Limited	India	100%

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 off accumulated amortisation and provision for impairment, if any.

Depreciation

The Depreciation on Tangible and Intangible Fixed Assets was hitherto provided on written down value method. Based on the past estimation, the use of such assets is expected to be relatively even over its estimated useful life and that there is no discernible pattern of decline in its service potential. Accordingly, the Company, in order to reflect a more appropriate presentation of financial statements, has changed the method of depreciation on such assets, existing as at 1st April 2014, to straight line basis. The decrease in the charge of accumulated depreciation arising from retrospective computation from the date of addition/installation of such assets, aggregating to ₹ 1,66,51,774 has been accounted and disclosed under separately.

Further, Effective 1st April 2014, the company has charged depreciation based on the revised remaining useful life of the assets as per the requirements of Schedule II of the Companies Act, 2013. Due to above, depreciation charge for the year ended 31st March 2015 is higher by ₹ 28,59,106/-. Consequently the profit for the year is lower by Rs. 28,59,106/- and the deferred tax charge being higher by ₹ 9,27,637/-.

Further, consequent to Notification GSR 627(E) dated August 29, 2014 amending Para 7(b) under Schedule II, Company has during the year, charged off transitional depreciation amounting to ₹ 4,19,162/- to Statement of Profit and Loss.

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:

<u>Assets</u>	<u>Stone Source GB Limited</u>
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.

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.

Mimimum 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 2015

NOTE 3: SHARE CAPITAL

	As at March 31, 2015 (₹ in '000s)	As at March 31, 2014 (₹ in '000s)
Authorised		
75,00,000 Equity Shares of ₹ 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 ₹ 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, 2015 ₹ In '000	Nos.	As at March 31, 2014 ₹ In '000
		5380000		53800.00
Equity shares at the beginning of the period				
Issued during the period	—	—	—	—
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 ₹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, 2015		March 31, 2014	
	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	808015	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

	As at March 31, 2015 (₹ in '000s)	As at March 31, 2014 (₹ in '000s)
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
	<u>500.00</u>	<u>500.00</u>
Surplus in the statement of profit and loss		
Balance as per last financial statement	47015.79	41796.04
Profit / loss for the year	19970.89	9735.36
Less:- Appropriations		
Proposed Dividend	0.00	3228.00
Corporate Tax on Dividend	0.00	548.60
Foreign Currency Translation Reserve	-465.85	739.00
Transfer to General Reserve	0.00	0.00
	<u>67452.54</u>	<u>47015.79</u>
Closing Balance	<u>124757.44</u>	<u>104320.69</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 5: LONG-TERM BORROWINGS

	Non-current ₹ in'000s		Current maturities ₹ in'000s	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Secured				
Term Loans:				
From a Bank	0.00	0.00	0.00	261.60
Foreign Currency Loan from a Bank	0.00	0.00	0.00	0.00
Vehicle Loans: (Refer Note (a) below)	2531.22	3298.60	765.63	1242.31
Unsecured				
Loans from Banks and NBFC	4595.88	5397.56	5373.12	2602.44
Amounts disclosed under the head 'Other Current Liabilities' (Note 11)	0.00	0.00	-6138.75	-4106.36
	<u>7127.10</u>	<u>8696.16</u>	<u>0.00</u>	<u>0.00</u>

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	Instalment Amount (₹)
Axis Bank Limited	36	1-Jul-16	10.25%	19266
Daimler Financial Services India P. Ltd	36	14-Jun-16	12.11%	59500
Volkswagen Finance Private Limited	60	20-Jan-19	9.49%	13541
b. Unsecured Loan				
Kotak Mahindra bank Ltd.	24	10-Feb-17	17.50%	285677
Bajaj Finance Ltd.	36	5-Jun-17	19.50%	130475
Tata Capital Financial Services P.Ltd.	24	15-Apr-16	18.00%	149772

NOTE 6 : PROVISIONS

	Long-Term ₹ in'000s		Short-Term ₹ in'000s	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Provision for employee benefits				
Gratuity	2505.42	2158.90	145.67	179.86
Tax (Net of advance Tax paid)	0.00	0.00	3914.20	3504.15
Proposed Dividend	0.00	0.00	0.00	3228.00
Corporate Tax on Dividend	0.00	0.00	0.00	548.60
	<u>2505.42</u>	<u>2158.90</u>	<u>4059.87</u>	<u>7460.60</u>

NOTE 7 : SHORT-TERM BORROWINGS

	₹ in'000s	
	March 31, 2015	March 31, 2014
Secured		
Working Capital Facilities from Banks	97401.68	98883.45
Unsecured		
Loans from Directors and Related Parties	23326.58	17041.03
	<u>120728.25</u>	<u>115924.48</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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 8 : TRADE PAYABLES

	₹ in'000s March 31, 2015	₹ in'000s March 31, 2014
Trade Payables (Refer Note 27(C))	88294.47	29857.23
	<u>88294.47</u>	<u>29857.23</u>

NOTE 9 : OTHER CURRENT LIABILITIES

	₹ in'000s March 31, 2015	₹ in'000s March 31, 2014
Current maturities of long term borrowings (Note 5)	6138.75	4106.36
Security Deposit	99584.64	74903.09
Statutory dues :		
Service Tax	121.75	319.14
Withholding Taxes	530.16	528.11
Others - VAT and Central Sales Tax	919.84	1106.52
Other payables:		
Liabilities for expenses	6896.42	6178.93
Unclaimed Dividend	622.57	449.75
	<u>114814.14</u>	<u>87591.89</u>

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

NOTE 10 : FIXED ASSETS

										₹ in '000s	
GROSS BLOCK					DEPRECIATION					NET BLOCK	
Nature of Fixed Assets	Cost/Value as at 1/4/2014	Additions	Deductions/ Adjustments	Cost/Value as at 31/3/2015	UPTO 31/3/2014	Adjustment due to change in method from WDV to SLM	Provided during the year	Deductions/ Adjustments	UPTO 31/3/2015	AS AT 31/3/2015	AS AT 31/3/2014
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 (4425.11)	0.00 (90.26)	0.00 (0.00)	4515.38 (4515.38)	3010.68 (2848.52)	-1147.05 (0.00)	149.18 (162.16)	0.00 (0.00)	2012.80 (3010.68)	2502.58 (1504.70)	1504.70 (1576.60)
Plant & Machinery	10147.10 (9838.60)	0.00 (308.50)	0.00 (0.00)	10147.10 (10147.10)	7399.31 (6946.70)	-1497.90 (0.00)	500.68 (452.61)	0.00 (0.00)	6402.10 (7399.31)	3745.01 (2747.79)	2747.79 (2891.90)
Furniture & Fixtures	29407.29 (29407.29)	0.00 (0.00)	0.00 (0.00)	29407.29 (29407.29)	19741.39 (17605.22)	-8904.93 (0.00)	4122.02 (2136.17)	0.00 (0.00)	14958.49 (19741.39)	14448.81 (9665.90)	9665.90 (11802.07)
Computer	2408.79 (1806.19)	52.90 (602.60)	0.00 (0.00)	2461.69 (2408.79)	1787.45 (1500.65)	-210.04 (0.00)	424.70 (286.80)	0.00 (0.00)	2002.11 (1787.45)	459.59 (621.35)	621.35 (305.55)
Office Equipment	5406.38 (5247.78)	143.67 (158.59)	15.70 (0.00)	5534.35 (5406.38)	3311.46 (2980.86)	-1438.18 (0.00)	493.39 (330.60)	5.49 (0.00)	2361.18 (3311.46)	3173.17 (2094.92)	2094.92 (2266.92)
Vehicles	18148.25 (12510.48)	0.00 (6092.49)	0.00 (454.72)	18148.25 (18148.25)	10033.94 (8277.57)	-3213.63 (0.00)	2718.38 (2161.62)	0.00 (405.25)	9538.68 (10033.94)	8609.57 (8114.32)	8114.32 (4232.92)
Speed Boat	1919.92 (0.00)	0.00 (1919.92)	0.00 (0.00)	1919.92 (1919.92)	373.46 (0.00)	-241.44 (0.00)	137.53 (373.46)	0.00 (0.00)	269.55 (373.46)	1650.37 (1546.46)	1546.46 (0.00)
Total Tangible Assets	72094.16	196.57	15.70	72275.03	45657.68	-16653.18	8545.88	5.49	37544.89	34730.14	26436.48
Previous year	63376.51	9172.37	454.72	72094.16	40159.52	0.00	5903.42	405.25	45657.68	26436.48	23216.99
Intangible Assets											
Computer Software	37.44 (37.44)	0.00 (0.00)	0.00 (0.00)	37.44 (37.44)	36.04 (35.10)	1.40 (0.00)	0.00 (0.94)	0.00 (0.00)	37.44 (36.04)	0.00 (1.40)	1.40 (2.34)
Total Intangible Assets	37.44	0.00	0.00	37.44	36.04	1.40	0.00	0.00	37.44	0.00	1.40
Previous year	37.44	0.00	0.00	37.44	35.10	0.00	0.94	0.00	36.04	1.40	3.62
Grand Total										34730.14	26437.88

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

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

	₹ in'000s March 31, 2015	₹ in'000s March 31, 2014
The breakup of Deferred Tax Asset: Arising on account of timing difference in:		
- Depreciation	(1946.48)	2376.22
- Accrued Expenses allowable on Actual Payments	860.14	758.81
Deferred Tax Asset / (Liability)	<u>(1086.33)</u>	<u>3135.03</u>

Note 12 : NON-CURRENT INVESTMENTS

	₹ in'000s March 31, 2015	₹ in'000s March 31, 2014
<i>Trade - Unquoted - Fully Paid</i>		
520 Equity Shares of ₹ 25/- each Shreeji Bhatia Co-operative Bank	13.00	13.00
<i>Non Trade - Unquoted - Fully Paid</i>		
270000 Equity shares of ₹10/- each of Global Instile Solid Industries Limited	10177.64	9620.77
	<u>10190.64</u>	<u>9633.77</u>

NOTE 13 : LOANS & ADVANCES

	Long Term ₹ in'000s		Short Term ₹ in'000s	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Unsecured, Considered Good				
Loan to Employees	—	—	72.60	212.00
Advances Recoverable in cash or in kind	—	—	30932.68	34266.53
Advance to Suppliers	—	—	54117.15	21566.20
Other loans and advances:				
Balances with Custom and Excise authorities	—	—	2537.98	3380.85
Advance payment of Income Tax / Tax Deducted at Source (after adjusting provision)	—	—	0.00	0.00
	<u>—</u>	<u>—</u>	<u>87660.40</u>	<u>59425.58</u>

NOTE 14 : OTHER ASSETS

	Non-current ₹ in'000s		Current ₹ in'000s	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Unsecured, Considered Good				
Interest accrued on fixed Deposits	—	—	2.41	32.81
Prepaid Expenses	—	—	453.67	447.61
Deposits	21124.44	21514.44	25.00	434.75
Non-current Bank Balances (Note 17)	—	—	—	—
Others - Miscellaneous Expenditure to the extent not written off or adjusted	9.44	18.88	9.44	9.44
	<u>21133.88</u>	<u>21533.32</u>	<u>490.53</u>	<u>924.60</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 15 : INVENTORIES

	₹ in'000s March 31, 2015	₹ in'000s March 31, 2014
At lower of cost and net realisable value		
Raw materials	3687.00	2696.02
Stock-in-process	0.00	0.00
Finished goods	257637.82	225661.54
Tools and Stores	68.59	18.85
	<u>261393.41</u>	<u>228376.40</u>

NOTE 16 : TRADE RECEIVABLES

	₹ in'000s March 31, 2015	₹ in'000s March 31, 2014
Unsecured, Considered Good		
Overdue for a period exceeding six months	46359.16	29833.90
Others	50666.05	24311.00
	<u>97025.21</u>	<u>54144.91</u>

NOTE 17 : CASH & BANK BALANCES

	Non-current ₹ in'000s		Current ₹ in'000s	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Cash & Cash equivalents:				
Balances with banks;				
In Current Accounts	—	—	3026.30	859.47
Cash on hand	—	—	782.56	2306.90
	<u>—</u>	<u>—</u>	<u>3808.86</u>	<u>3166.37</u>
Other Bank Balances;				
In Deposit Accounts (more than 12 months maturity)	—	—	0.00	0.00
In Deposit Accounts (more than 3 months but less than 12 months maturity)	—	—	117.39	2582.35
In unclaimed Dividend Account	—	—	622.57	449.75
	<u>—</u>	<u>—</u>	<u>739.96</u>	<u>3032.11</u>
Amounts disclosed under 'Non Current Assets' (Note 15)	—	—	0.00	0.00
	<u>—</u>	<u>—</u>	<u>4548.82</u>	<u>6198.47</u>

NOTE 18 : REVENUE FROM OPERATIONS

	₹ in'000s 2014-15	₹ in'000s 2013-14
Sales:		
- Goods	571286.83	497422.44
- Services including labour charges	7961.28	5191.80
Other Operating Revenues	0.00	0.00
	<u>579248.11</u>	<u>502614.24</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 19 : OTHER INCOME

	₹ in'000s 2014-15	₹ in'000s 2013-14
Interest:On Fixed Deposits with Bank	40.50	175.87
Unspent Liabilities/Sundry balances written back (net)	1815.53	502.25
Profit on Sale of Fixed Assets	0.00	22.64
Miscellaneous Receipts	200.35	30.91
	2056.37	731.68

NOTE 20 : COST OF MATERIALS CONSUMED

	₹ in'000s 2014-15	₹ in'000s 2013-14
Cost of Materials Consumed		
Opening Stock	2696.02	3371.27
Add: Purchases	6556.78	3403.41
	9252.80	6774.68
Less: Closing Stock	3687.00	2696.02
	5565.80	4078.66
Details of Raw Materials consumed		
Granite	1429.78	1063.34
Slate	1089.49	921.49
Semi Precious	3046.53	2093.84
	5565.80	4078.66

NOTE 21 : PURCHASES OF STOCK IN TRADE

	₹ in'000s 2014-15	₹ in'000s 2013-14
Purchases of Stock in Trade		
Granite	4483.14	528.16
Marble	477136.76	416505.91
Mosaics	2485.65	2712.89
Sealants	127.98	23.44
Semi Precious	112.56	47.43
Slate	2433.19	6191.73
Wood	185.21	2353.97
Other Misc.Items	16.25	0.00
Total	486980.73	428363.54

NOTE 22 : CHANGES IN INVENTORY OF FINISHED GOODS

	₹ in'000s 2014-15	₹ in'000s 2013-14
Closing Stock:		
Finished Goods - Manufactured	2722.83	2587.12
Finished Goods - Traded	254914.99	223074.42
	257637.82	225661.54
Less: Opening Stock:		
Finished Goods - Manufactured	2587.12	2739.53
Finished Goods - Traded	223074.42	178675.02
	225661.54	181414.55
Differential Excise Duty on Opening and Closing stock of Finished Goods	0.00	0.00
	-31976.28	-44246.99

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

Details of Inventory

Class of Goods	Sales	Manufactured Goods		Traded Goods		₹ in'000s
		Opening Stock	Closing Stock	Opening Stock	Closing Stock	
Granite	5350.81	394.62	—	3206.06	2935.76	
Marble	548887.63	—	—	213906.81	245778.48	
Mosaics	5044.69	—	—	877.43	1750.82	
Sealants	117.96	—	—	1228.34	1334.42	
Semi Precious	7127.49	2192.50	2722.83	3084.76	2136.26	
Slate	4405.18	—	—	771.01	979.25	
Wood	353.08	—	—	—	—	
TOTAL	571286.83	2587.12	2722.83	223074.42	254914.99	

NOTE 23 : EMPLOYEE BENEFITS EXPENSE

	₹ in'000s 2014-15	₹ in'000s 2013-14
Salaries, Wages, Bonus, and Allowances	25042.27	23500.27
Company's Contribution to Provident, Gratuity and Other Funds (Refer Note (a) below)	312.33	421.62
Welfare Expenses	248.80	124.82
	25603.40	24046.71

(a) Employee Benefits

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

(i) Defined benefit plans:

	Gratuity* Unfunded		Pension# Unfunded	
	31/3/2015	31/3/2014	31/3/2015	31/3/2014
Service Cost	307.92	319.71	—	—
Interest Cost	187.10	156.56	—	—
Expected return on plan assets	0.00	0.00	—	—
Net Actuarial (Gain) / Loss	182.69	94.49	—	—
Net Cost	312.33	381.78	—	—

* 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

	Gratuity* Unfunded		Pension# Unfunded	
	31/3/2015	31/3/2014	31/3/2015	31/3/2014
Present value of defined benefit obligation	2651.09	2338.76	—	—
Fair value of plan assets	0.00	0.00	—	—
Net asset / (liability) as at 31st March, recognised in the Balance Sheet	-2651.09	-2338.76	—	—

c. Balance Sheet reconciliation

Opening net asset / (liability)	-2338.76	-1956.98
Expenses as above	-312.33	-381.78
Employers contribution	0.00	0.00
Closing net asset / (liability) recognised in the Balance Sheet	-2651.09	-2338.76

d. The principal actuarial assumptions

	Gratuity		Pension	
	31/3/2015	31/3/2014	31/3/2015	31/3/2014
Discount rate	8% p.a.	8% 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

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

	<u>31/3/2015</u>	<u>31/3/2014</u>	<u>31/3/2015</u>	<u>31/3/2014</u>
Gratuity	2651.09	2338.76	0	0
Defined Benefit Obligation	0.00	0.00	0	0
Plan Assets	0.00	0.00	0	0
Surplus / (Deficit)	-2651.09	-2338.76	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

	₹ in'000s <u>2014-15</u>	₹ in'000s <u>2013-14</u>
Interest	16489.27	11475.63
Bank Charges	1486.86	1320.99
	17976.12	12796.62

NOTE 25 : DEPRECIATION & AMORTISATION EXPENSE

	₹ in'000s <u>2014-15</u>	₹ in'000s <u>2013-14</u>
Depreciation on tangible assets	8545.88	5903.42
Amortisation on intangible assets	0.00	0.94
	8545.88	5904.36

NOTE 26 : OTHER EXPENSES

	₹ in'000s <u>2014-15</u>	₹ in'000s <u>2013-14</u>
Tools and Stores Consumed	1637.28	1056.45
Packing Materials consumed	45.12	125.33
Power and Fuel	2410.03	2417.23
Repairs and Renewals:		
Buildings / Premises	120.69	165.64
Plant and Machinery	13.93	495.71
Other Assets	281.41	50.47
Insurance	569.22	644.96
Rent	9290.06	11419.63
Printing and Stationery	435.63	458.13
Travelling & Conveyance	7502.13	10000.40
Postage & Courier Expenses	188.96	193.86
Telephone Expenses	1403.24	1438.88
Legal & Professional Charges	4604.24	4302.54
Auditors' Remuneration:		
As Auditors:		
Audit fees	239.40	179.78
Reimbursement of Expenses etc.	0.00	0.00
	239.40	179.78
VAT & CST Paid	17323.83	15247.80
Service Tax	80.89	16.75
Bad Debts	641.36	298.17
Entertainment Expenses	750.17	654.94
Vehicle Expenses	692.11	901.72
Directors' Sitting Fees	258.92	279.70
Freight and Forwarding (Net)	1596.99	2135.83
Net Loss on Foreign Currency transactions	561.55	408.22
Loss on fixed assets sold / discarded (Net)	7.21	0.00
Miscellaneous Expenses	3621.26	3218.40
	54275.63	56110.50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

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:

- a. Income Tax ₹1.19 lacs (Prev.Yr. ₹ 1.19 lacs) [Appeal filed with the Income Tax Appellate Tribunal, Mumbai for Assessment Year 2009-10]
- b. Income Tax ₹1.84 lacs (Prev.Yr. ₹ 1.84 lacs) [Appeal filed with the C.I.T. (Appeals), Mumbai for Assessment Year 2011-12]
- c. Income Tax ₹ 2.64 lacs (Prev.Yr. ₹ Nil) [Appeal filed with the C.I.T.(Appeals), Mumbai for Assessment Year 2012-13]
- d. Maharashtra VAT ₹ 357.06 lacs (Prev. Yr. ₹ Nil) [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.

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.

Under Micro, Small and Medium Enterprise Development Act, 2006; (MSMED) which came in to force from October 2, 2006, certain disclosures are to 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.

	<u>2014-15</u>	<u>2013-14</u>
D Earnings Per Share:		
Profit/(Loss) after taxation and refund of income tax.	(₹ in lacs) 199.71	97.35
Number of Equity Shares (Face Value ₹ 10/-)	5380000	5380000
Earning Per Share in Rupees - Basic & diluted	3.71	1.81

E **Related Party Disclosure:**

- a) List of Parties which significantly influence / are influenced by the company (either individually or with others) -:
 - 1) Relationships :
 - (a) Key Management Personnel :
Mr. Milan B. Khakhar
Mr. Prakash B. Khakhar
 - (b) Key Management Personel of Subsidiaries :
Mr. M S. Munde
Mr. H S. Munde
Ms. Bharti Padharia
Mr. Satish Padharia
 - (c) Associate Concern :
Global Instile Solid Industries Ltd.
 - (d) Relatives of Key Management personnel and Enterprise owned and significantly influenced by Key Management personnel or their relatives
M.Stones
Milan Marble & Tiles
Vasumati B. Khakhar
Jeenoo Khakhar
Shraddha Khakhar

Note : Related party relationship on the basis of the requirements of Accounting Standard 18 (AS-18) is as identified by the Company and relied upon by the Auditors

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

2) Transactions carried out with Related parties referred to in 1 above, in ordinary course of business :

NATURE OF TRANSACTIONS	RELATED PARTIES				(₹ in'000s)			
	Key Management Personnel of Holding Company		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	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
PURCHASES :								
Goods and Material	—	—	—	—	5605.37	37874.46	—	—
SALES :								
Goods and Material	—	—	—	—	—	3235.90	—	—
EXPENSES :								
Rent	360.00	360.00	—	—	—	—	240.00	240.00
Remuneration & Allowances	6460.00	4860.00	732.28	1118.22	—	—	960.00	960.00
Directors' fees	—	—	184.92	199.70	—	—	18.00	18.00
INCOME :								
OUTSTANDINGS :								
Payable	941.50	162.00	92.46	—	—	—	731.25	631.86
Receivable	—	—	—	—	14414.93	5103.42	—	—
LOANS :								
Payable	19830.00	13870.00	3443.92	3250.31	—	—	100.00	—
Receivable	—	—	46.60	78.48	—	—	—	—
Taken	53000.00	25500.00	434.19	574.64	—	—	100.00	—
Re-Paid	47040.00	15930.00	26.07	92.56	—	—	—	—
Given	—	—	—	78.48	—	—	—	—
DEPOSITS :								
Given	7500.00	7500.00	—	—	—	—	10000.00	10000.00
Received	—	—	—	—	—	—	—	—
GUARANTEES :								
Given	—	—	—	—	—	—	—	—
Taken	230000.00	230000.00	—	—	115000.00	115000.00	—	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 27 : OTHER ADDITIONAL NOTES / INFORMATION

		(₹ 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	Bharti Padharia	Satish Padharia	Global Instiile Solid Industries Ltd.	M.Stones	Milan Marble & Tiles	Vasumati Khakhar	Jeenoo Khakhar	Shraddha Khakhar
1	Payments to & provision for :												
a)	Director's Remuneration & Allowance	3230.00 (2430.00)	3230.00 (2430.00)	732.28 (1057.31)	- (60.91)	-	-	-	-	-	-	480.00 (480.00)	480.00 (480.00)
b)	Rent	180.00 (180.00)	180.00 (180.00)	-	-	-	-	-	-	240.00 (240.00)	-	-	-
c)	Director's Fees	-	-	-	-	92.46 (99.85)	92.46 (99.85)	-	-	-	18.00 (18.00)	-	-
2	a) Loans Taken	52450.00 (18700.00)	550.00 (6800.00)	434.19 (574.64)	-	-	-	-	-	-	100.00	-	-
b)	Loans Repaid	45725.00 (14065.00)	1315.00 (1865.00)	-	26.07 (92.56)	-	-	-	-	-	-	-	-
c)	Loans Payable	15660.00 (8935.00)	4170.00 (4935.00)	3443.92 (3250.31)	-	-	-	-	-	-	100.00	-	-
d)	Loans Receivable	-	-	-	46.60 (78.48)	-	-	-	-	-	-	-	-
3	Purchase of Goods	-	-	-	-	-	-	5605.37 (37874.46)	-	-	-	-	-
4	Sale of Goods	-	-	-	-	-	-	(3235.90)	-	-	-	-	-
5	Deposits Receivable as on 31st March	3750.00 (3750.00)	3750.00 (3750.00)	-	-	-	-	-	-	10000.00 (10000.00)	-	-	-
6	Outstanding Payable as on 31st March	238.00 (81.00)	703.50 (81.00)	-	-	92.46	-	-	501.75 (541.86)	108.00 (54.00)	54.00 (36.00)	36.50	31.00
7	Outstanding Receivable as on 31st March	-	-	-	-	-	-	14414.93 (5103.42)	-	-	-	-	-
8	Outstanding Guarantee taken as on 31st March	115000.00 (115000.00)	115000.00 (115000.00)	-	-	-	-	115000.00 (115000.00)	-	-	-	-	-

(Figures in brackets relate to previous year)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 27 : OTHER ADDITIONAL NOTES / INFORMATION

F Remuneration to Directors

₹ in '000s

1) Nature of transactions:

Remuneration to Directors	31/3/2015	31/3/2014
Remuneration	7132.28	5918.22
Perquisites	60.00	99.84

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

₹ in '000s

Particulars	31/3/2015	31/3/2014
Audit Fees (inclusive of Service Tax)	239.40	179.78
Total	239.40	179.78

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 :

Particulars	March 31 ,2015	(₹ in '000s) March 31, 2014
Not Later than One Year	629	807
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 ASHAR & CO

Chartered Accountants
(ICAI Regn.No.129159W)

YOGESH ASHAR
PARTNER
(Mem.No.046259)

MUMBAI:
DATED : 30th May, 2015

For and on Behalf of the Board of Directors

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

FORM AOC-I

Part "A": Information on Subsidiary Companies

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

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, 2014 to March 31, 2015	Financial year - April 1, 2014 to March 31, 2015
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.92.4591	1 GBP = Rs.92.4591
4	Share Capital (₹. in '000s)	1849.27	924.59
5	Reserves & Surplus (₹ in '000s)	1252.08	-7834.84
6	Total Assets (₹ in '000s)	5916.00	3878.25
7	Total liabilities (₹ in '000s)	5916.00	3878.25
8	Investments (₹ in '000s)	471.54	0.00
9	Turnover / Total income (₹ in '000s)	968.79	3688.19
10	Profit/Loss before taxation (₹ in '000s)	-4.02	-1829.40
11	Provision for taxation (₹ in '000s)	0.00	0.00
12	Profit/Loss after taxation (₹ in '000s)	-4.02	-1829.40
13	Proposed Dividend (₹ in '000s)	—	—
14	% of Shareholding	100%	51% held by Granitexx UK Limited

Part "B": Information on Associates

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies)

Sr. No.	Particulars	Global Instile Solid Industries Limited (Associate Company)
1	Latest audited Balance Sheet date	31/03/2015
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
	Extend 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 (₹ in '000s)	3371.99
6	Profit/Loss for the year	
	i. Considered in Consolidated (₹ in '000s)	556.87
	ii. Not Considered in Consolidated	Not Applicable

SOLID STONE COMPANY LIMITED**PROXY FORM**

CIN:U26960MH1990PLC056449;
 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

[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: _____

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 25th Annual General Meeting of the Company to be held on Thursday, the 24th September, 2015 at 9.15 A.M. at Orchid & Tulip, Centre-1, World Trade Centre, 1st Floor, Cuffe Parade, Mumbai-400005 or any adjournment thereof, in respect of such resolutions as are indicated below:

RESOLUTIONS**Ordinary Business**

- Adoption of the Audited Financial Statements for FY ended 31.03.2015, reports of Board of Directors and Auditors thereon and adoption of Audited Consolidated Financial Statements for FY ended 31.03.2015 and report of Auditors thereon.
- Re-appointment of Mrs.V B. Khakhar as director, who retires by rotation.
- Re-Appointment of M/s Ashar & Co., Chartered Accountants as Statutory Auditors and to fix their remuneration.

Special Business

- Appointment of Mr. K.Gopi Nair as a Independent Director for a period of 4 years commencing from 24.09.2015 upto 30.09.2019.

OPTIONAL*	
For	Against

Signed this _____ day of _____ 2015 Signature of Shareholder _____

Affix
 Rupee. 1
 Revenue
 Stamp

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 any 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.

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SOLID STONE COMPANY LIMITED

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