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NOTICE OF MEETING

NOTICE is hereby given that the Twenty Third 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 Friday, 6th September, 2013 at 9.15 am to transact, as may be permissible the following Ordinary business :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2013 and Statement of Profit and Loss for the year ended on that date, the Reports of the Auditors and Directors thereon.
2. To declare a Dividend
3. To appoint a Director in place of Mr. K.Natarajan who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint M/s. Ashar & Co., Chartered Accountants as Statutory Auditors of the company and to fix their remuneration.

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.
- B) The Register of Members and Share Transfer Books of the Company will remain closed from 2nd September, 2013 to 6th September, 2013 (both days inclusive)
- C) The form of proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 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) P.Ltd. (Share Transfer Agents of the company) at Unit no.1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai-400072,
- G) *The Company's shares are available for dematerialisation. Members opting for the same may contact their Depository Participants.*
- H) *Details regarding retiring Director , seeking re-appointment at the Annual General Meeting :*
 - a) Mr. K. Natrajan (82), is a Chartered Accountant and former Secretary (Investment) with Life Insurance Corporation of India,(LIC). He has a rich experience of more than 55 years in areas of Accountancy, Law, Finance and Insurance. He is not holding any other Directorships. He is a member of Remuneration Committee and Audit Committee of the company constituted by the Board for effective Corporate Governance. The relevant details about his attendance of the meeting are given in Report of Corporate Governance forming part of the Annual Report. He is holding 100 shares in the Company. He is not related to any Director of the Company.

By Order of the Board of Directors

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

Milan B. Khakhar
Chairman & Managing Director

Place : Mumbai
Date : 27th May, 2013

DIRECTOR'S REPORT

The Members,

Your Directors have pleasure in presenting their Twenty-Third Annual Report of the Company for the year ended on 31st March, 2013.

FINANCIAL RESULTS :

	Year Ended 31st March, 2013 ` in '000s	Year Ended 31st March, 2012 ` in '000s
Gross Income from Operations	4,51,114	4,49,997
Profit before Depreciation and Tax	21,102	21,542
Profit after Tax	8,637	8,719
Balance brought forward from Previous year	38,599	33,632
Amount available for Appropriation	47,236	42,351
Proposed Dividend	3,228	3,228
Tax on Dividend	548	524
Surplus carried to Balance Sheet	43,460	38,599

DIVIDEND :

Your Directors are pleased to recommend a Dividend of ` 0.60 per share for the year ended 31st March, 2013 on the Equity Share Capital.(Previous Year. ` 0.60 per share), which if approved by the members will involve a payout of ` 32.28 lacs plus Dividend Distribution Tax of ` 5.48 lacs

OPERATIONS :

During the year under review the Company made overall improvement in performance, posting a higher gross income in the era of depressed markets, increasing costs and interest and decline in rupee value.

The Company continues to focus on the domestic market where the growth is impacted on account of sectoral imbalances.

SUBSIDIARY COMPANIES :

Information on Financials of Subsidiary Companies viz. Granitexx UK Ltd. and Stone Source GB Ltd. for the year 2012-13 are provided in Annexure hereto. In respect of Foreign Subsidiary Companies, figures in Rupees are converted from applicable respective currencies at appropriate rate at the year end.

DIRECTORATE :

Mr.K.Natarajan, Director of the Company shall retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

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. The Statement on Subsidiaries pursuant to section 212 (3) of the Act, is attached hereto as separate annexure.

PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND RULES MADE THEREUNDER :

The Information Pursuant to section 217(2A) of the Companies Act, 1956 read with the Companies particulars of Employees Rules 1975 is not applicable.

Director's Responsibility Statement under Section 217 (2AA) is as follows :

Your Directors make the following statement pursuant to section 217(2AA) of the Companies Act, 1956 ;

1. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
2. That the Directors have selected such accounting policies and applied them consistently and made judgements and

estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

3. That the Directors have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the Annual Accounts on a going concern basis.

INSURANCE :

All the assets of the Company are adequately insured.

CORPORATE GOVERNANCE :

Your company has always striven to incorporate appropriate standards for good corporate governance . A separate report on Corporate Governance pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, including the Management Discussion and Analysis, Shareholders' Information and Auditors' Certificate on its compliance, form part of this Annual Report.

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 224A of the Companies Act 1956, their appointment needs to be confirmed and their remuneration needs to be fixed.

DISCLOSURES :

Information as required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board Directors) Rules, 1988 is set out as under :

i) Conservation of Energy :

Energy conservation measures have already been implemented by the Company and there are no major areas where further conservation measures appear necessary. However, efforts to conserve and to optimize the use of energy through improved operational methods and other means will continue on an ongoing basis.

	Current Year	Previous Year
Power Consumption (Electricity)		
Units	43,733	43,397
Total Cost	₹ 3,55,190	₹ 3,47,350
Rate per unit	₹ 8.12	₹ 8.00

ii) Technology Absorption : Not Applicable

iii) Details of Foreign Exchange earning and Outgo during the year under review are furnished in the Notes to Accounts.

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.

PLACE : MUMBAI
DATED : 27th May, 2013

For and behalf of the Board
Milan B. Khakhar
Chairman.

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 2013, the Board met Eight times on 15th May, 2012, 13th August, 2012, 29th August, 2012, 17th September, 2012, 18th October, 2012, 6th November, 2012, 11th December, 2012, 12th February, 2013.

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, 2013 and other details are as under:

Name of Director	Category	No of Board Meetings attended during 2012-13	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	8	Yes	2	-
Mr.Prakash B.Khakhar	Executive Promoter	7	No	2	-
Mrs.Vasumati B. Khakhar	Non-Executive Promoter	6	No	1	-
Mr.K.Natarajan	Non-Executive Independent	6	No	-	-
Ms.Ashni Y. Parekh	Non-Executive Independent	6	Yes	-	-
Mr.K.Gopi Nair	Non-Executive Independent	5	Yes	-	-

Code of Conduct :

The Board has formulated a code of conduct for the Board members and senior management of the company. All Board members and senior management personnel have affirmed the compliance with the code as on 31st March 2013 to the Company.

It is hereby affirmed that all Directors and senior management personnel have complied to the code of conduct framed by the Company and the confirmation to that effect has been received from the Directors and the Senior management members.

C. Audit Committee:

The Audit Committee comprises of Mr.K. Natarajan, Mr.K.Gopi Nair and Ms.A.Y.Parekh. All the members of this Committee are independent Directors and Ms. A. Y. Parekh is the Chairperson of the Audit Committee.

During the year under review, the Audit Committee of Directors held discussions with the 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. At the Audit Committee Meetings, the Statutory Auditors of the Company were invited and their findings / observations were also discussed.

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 2012-2013
Ms.A.Y.Parekh, Chairperson	Independent Non-Executive	6
Mr.K.Natarajan, Member	Independent Non-Executive	5
Mr.K.Gopi Nair, Member	Independent Non-Executive	4

During the year 2012-13, Six Audit Committee Meetings were held on 15th May, 2012, 13th August, 2012, 11th August, 2012, 29th August, 2012, 6th November, 2012, 12th February, 2013.

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 Compliance Officer 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 Chairman 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. Remuneration Committee:

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

Meetings of this Committee are held only when required.

No Meetings of this Committee were held during the year 2012-13.

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 2013 are as follows:

Name	Salary	Allowances	Perquisites	Sitting Fees	Total
Mr. M. B. Khakhar	24,00,000	30,000	—	—	24,30,000
Mr. P. B. Khakhar	24,00,000	30,000	—	—	24,30,000
Mrs. V.B. Khakhar	—	—	—	18,000	18,000
Mr. K. Natarajan	—	—	—	21,000	21,000
Ms. A. Y. Parekh	—	—	—	21,000	21,000
Mr. K. Gopi Nair	—	—	—	18,000	18,000

E. Shareholders / Investors Grievance Committee:

The company has formed Shareholders/Investors Grievances 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 shareholders grievance committee met at six times during the year on 11th April, 2012, 18th June, 2012, 23rd August, 2012, 23rd November, 2012, 27th December, 2012, 11th February, 2013.

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

Name of Members	Category	Meetings Attended During the year 2012-2013
Ms.A.Y.Parekh (Chair Person)	Independent Non-Executive	5
Mr.Milan B.Khakhar	Promoter Executive	4
Mrs.Vasumati B.Khakhar	Promoter Non-Executive	5

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, 2013.

No.of Investors' complaints received during financial year 2012-13 :Nil

No. of Complaints pending unresolved as on 31st March, 2013 : Nil

F. Name and Designation of Compliance officer:

Mr.Manoj D. Dewani - Vice President

Solid Stone Company Limited, Maker Chambers V, Nariman Point,
Mumbai - 400021.

Tel: 66115800 Fax: 22826439 Email : solidgranites@gmail.com

G. Annual General Meetings:

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

AGM No	Accounting Year	Date	Time	Location	No.of Special Resolutions passed
22 nd	2011-2012	Sep 25, 2012	9.15 a.m.	Centrum, Centre 1, 1 st Floor, World Trade Centre, Cuffe Parade, Mumbai-400005.	—
21 st	2010-2011	Sep 19, 2011	9.15 a.m.	Sunflower II, Centre 1, 30 th Floor, World Trade Centre, Cuffe Parade, Mumbai-400005.	—
20 th	2009-2010	Sep 22, 2010	9.15 a.m.	Seminar II. Centre 1, 31 st Floor, World Trade Centre, Cuffe Parade, Mumbai-400005.	—

No Special Resolution requiring postal ballot was placed before the last Annual General Meeting. No Special Resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting.

H. Disclosures:

- None of the transactions with any of the related parties was in conflict with the interests of the Company at large. Attention of the Members is drawn to the transactions with the related parties set out in Notes on Accounts-Note No.27(E), forming part of the Annual Report.
- The Company's major related party transactions are generally with its Subsidiaries and Associates. The related party transactions are entered into based on considerations of various business exigencies. All related party transactions are negotiated on arms length basis and are only intended to further the interests of the Company. A statement in summary form of the transactions with related parties is periodically placed before the Audit Committee as required under Clause 49 IV (A) of the Listing Agreement with the Stock Exchanges.

- c) There has been no instance of non-compliance by the Company on any matter related to capital markets, during the last three years. No penalties or strictures have been imposed by SEBI, the Stock Exchange or any Statutory Authority on the Company.
- d) The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.
- e) The Company has laid down a process of assessing risk management. The scope of Audit Committee includes review of Company's financial and risk management policies.

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 23rd AGM of the members of the company is scheduled to be held on 6th September, 2013 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 2013-2014 (Provisional)

A	Unaudited Results for the first quarter ending on June 30, 2013	By 15 th of August, 2013
B	Unaudited Results for the second quarter ending on September 30, 2013	By 15 th of November, 2013
C	Unaudited Results for the third quarter ending on December 31, 2013	By 15 th of February, 2014
D	Results (Audited) for the financial Year ending March 31, 2014	By 30 th of May, 2014
E	Annual General Meeting for the year ending March 31, 2014	By end of September, 2014

c) Details of book closures:

From 2nd September, 2013 to 6th September, 2013 (both days inclusive)

d) Dividend Payment

The Directors have proposed a Dividend of ₹ 0.60 per share subject to the approval of the shareholders at the ensuing Annual General Meeting, and the same will be paid on or after 11th September, 2013, to the shareholders whose names appear on Register of Members as on 2nd September, 2013.

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 2013-2014 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 2012-2013 are as under :-

Month	Quotation at Mumbai Stock Exchange	
	High	Low
April, 2012	62.75	51.00
May, 2012	64.50	54.00
June, 2012	66.50	54.75
July, 2012	63.75	53.50
August, 2012	59.00	50.55
September, 2012	66.10	54.25
October, 2012	62.00	56.25
November, 2012	62.95	52.15
December, 2012	61.30	43.00
January, 2013	64.00	49.50
February, 2013	56.90	30.55
March, 2013	29.30	25.55

(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.

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, 2013

Shares held	No.of Shareholders	% of Shareholders	No.of Shares held	% of Shares held
1-500	763	81.26	93,067	1.73
501 - 1000	48	5.11	40,103	0.75
1001 - 2000	34	3.62	50,757	0.94
2001 - 3000	6	0.64	14,569	0.27
3001 - 4000	9	0.96	34,588	0.64
4001 - 5000	10	1.06	46,998	0.87
5001 - 10000	17	1.81	1,30,986	2.43
10001 and above	52	5.54	49,68,932	92.36
Total	939	100.00	53,80,000	100.00

j) Shareholding Patterns as on March 31, 2013:

Categories	No of Shares	% of shareholding
Promoters	36,96,400	68.706
Individuals	10,59,865	19.700
Domestic Cos.	6,23,735	11.594
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.

97.10 % of the Company's Share Capital is dematerialized as on 31st March, 2013.

l) The Company has not issued any GDRs/ADRs. No Bonds were Outstanding as on 31st March, 2013.

m) Address for correspondence:

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

n) Adoption of Non-Mandatory Requirements of Clause 49:

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

Remuneration Committee:

The company has constituted Remuneration Committee to recommend / review remuneration of the Managing Director and Whole-time Directors based on their performance and defined assessment criteria.

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.

MANAGEMENT DISCUSSION AND ANALYSIS FOR 2012-2013

Industry Structure and development:

The Global and Domestic Economy have been witnessing Sectoral turnaround during the year, yet recessionary trends 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 present slowdown in economy and depressed markets 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 2012-2013

During the financial year 2012-2013, the company achieved a sales turnover of ` 4488.05 lacs as against a Sales Turnover of ` 4466.40 lacs in the previous year. Net profit after tax stood at ` 86.37 lacs as compared to ` 87.19 lacs in the previous year. The gross income of the company showed marginal improvement for the financial year ended 31st March 2013.

Capital Structure

There was no change in the capital structure of the company. The issued and paid up share capital as at 31st March, 2013, comprises of 53,80,000 equity shares of ` 10 each.

Internal Control System

There are reasonable internal control systems at all levels in the Company.

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.

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, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

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.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances remaining unattended/pending for more than 30 days.

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 : 27th MAY, 2013

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

Report on the Financial Statements

We have audited the accompanying Financial Statements of Solid Stone Company Limited ('the company') which comprise the Balance Sheet as at March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and the Explanatory Information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March 2013;
- b) in the case of the statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act') we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the Directors as on 31st March 2013 and taken on record by the Board of Directors and on the basis of examination and records of the company, we report and certify that none of the Directors is disqualified as on 31 March, 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date;

For ASHAR & CO.
Chartered Accountants
Firm Regn.No.129159W

Yogesh Ashar
Partner
Mem.No.046259

Mumbai, Date : May 27, 2013

ANNEXURE TO THE 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, 2013).

- i) In respect of its Fixed Assets:
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;
 - b) As explained to us, the assets have been physically verified by the management, which in our opinion is reasonable, considering the size and the nature of its business. The frequency of verification is reasonable and discrepancies noticed on such physical verification have been properly dealt with in the books of account;
 - c) The fixed assets disposed off during the year, in our opinion do not constitute a substantial part of its Fixed Assets of the Company so as to affect it as a going concern.
- 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;
 - 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 company is maintaining proper records of inventory. As informed, no material discrepancies were noticed on such physical verification.
- iii) a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the clauses 4(iii) (b) to (d) of the Order are not applicable;
- b) The company has taken unsecured loans from 2 parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year end balance of loans taken from such parties were ` 50,00,000/- and ` 43,00,000/- respectively.
- c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms & conditions are not prima facie prejudicial to the interest of the company.
- d) The principal in respect of the said loans were regular. There is no interest payment for the said loans.
- iv) In our opinion there are adequate internal control procedures commensurate with the size of the company and the nature of its business 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) a) Based on the audit procedure applied by us and according to the information, explanations and representation given to us, we are of the opinion that particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in the register maintained under that section have been so entered.
- b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of Rs.5 lakhs in respect of each party, the transactions have been made at rates which are, prima facie, reasonable having regard to the prevailing market rates at the relevant time, where comparable market rates exists.
- vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public within the meaning of section 58 A and 58 AA of the Companies Act, 1956 and Rules framed there under.
- vii) In our opinion and according to the information and explanation given to us, the internal control procedures are adequate considering the size and nature of business. However the Company does not have a formal internal audit system.
- viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, for the products of the Company.
- ix) (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 Investor Education and Protection Fund, Income-Tax, Sales-Tax, Custom Duty, Excise Duty and other Statutory Dues with the appropriate authorities, and as on 31st March 2013, 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, 2013 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

- x) The company has neither accumulated losses at the end of the financial year nor has it incurred cash losses, both in the financial year under report and in the immediately preceding financial year.
- xi) 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.
- xii) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- xiii) The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Societies are not applicable to the company.
- xiv) According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures or other investments except for investments in mutual funds, where the company has maintained proper records, timely entries have been made and the investments are held in the name of the company.
- xv) 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.
- xvi) On the basis of the records examined by us we have to state that, the company has, prima facie, applied the Term / Hire Purchase loans for the purposes for which they were obtained. The company does not have any other term loans.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long-term investments.
- xviii) The company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the companies Act, 1956.
- xix) The company has not issued any debentures during the year.
- xx) The company has not raised any money by way of public issue during the year.
- xxi) 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
Sd/-

Yogesh Ashar
Partner
Mem.No.046259

Mumbai, Dated: May 27, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	AS AT March 31, 2013 (` In '000s)	AS AT March 31, 2012 (` In '000s)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	53800.00	53800.00
Reserves & Surplus	4	100765.12	95904.29
		<u>154565.12</u>	<u>149704.29</u>
Non-Current Liabilities			
Long-Term Borrowings	5	544.23	1038.74
Long-Term Provisions	6	1765.96	1244.85
		<u>2310.19</u>	<u>2283.59</u>
Current Liabilities			
Short-Term Borrowings	7	101349.48	96145.97
Trade Payables	8	28392.47	38321.34
Other Current Liabilities	9	85904.54	80437.62
Short-Term Provisions	6	6863.58	5127.62
		<u>222510.07</u>	<u>220032.55</u>
TOTAL		<u><u>379385.39</u></u>	<u><u>372020.43</u></u>
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		22445.41	28206.44
Intangible Assets		2.34	3.90
		<u>22447.75</u>	<u>28210.34</u>
Deferred Tax Asset	11	2767.75	2323.62
Non-Current Investments	12	11059.51	12731.26
Long-Term Loans & Advances	13	0.00	0.00
Other Non-Current Assets	14	23273.76	23493.20
		<u>59548.77</u>	<u>66758.42</u>
Current Assets			
Inventories	15	182274.69	170055.00
Trade Receivables	16	48051.25	65002.08
Cash & Bank Balances	17	5406.76	4869.05
Short-Term Loans & Advances	13	83486.39	64976.54
Other Current Assets	14	617.53	359.34
		<u>319836.61</u>	<u>305262.01</u>
TOTAL		<u><u>379385.39</u></u>	<u><u>372020.43</u></u>

Significant Accounting Policies

2

The Notes are an integral part of these financial statements

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

For ASHAR & COChartered Accountants
(ICAI Regn.No.129159W)**For and on behalf of the Board****YOGESH ASHAR**

PARTNER

(Mem.No.046259)

M. B. KHAKHAR

Chairman & Managing Director

A. Y. PAREKH

Director

MUMBAI:

DATED : 27th May, 2013

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	2012-13 (` In '000s)	2011-12 (` In '000s)
INCOME			
Revenue from operations (Gross)	18	448805.38	446639.59
Less:- Excise Duty		0.00	0.00
Revenue from operations (Net)		448805.38	446639.59
Other income	19	2308.71	3357.08
Total Revenue		451114.09	449996.67
EXPENSES			
Cost of materials consumed	20	3373.52	3659.29
Purchases of Stock in Trade	21	340981.60	354957.14
Changes in Inventory	22	-10943.24	-21143.43
Employee benefits expense	23	21924.18	20996.74
Finance costs	24	14613.37	14554.94
Depreciation & Amortisation expense	25	5062.80	5396.68
Other expenses	26	60062.63	55430.45
Total Expenses		435074.88	433851.80
PROFIT/(LOSS) BEFORE TAX		16039.21	16144.86
Tax Expense:			
Current tax		6600.00	5725.00
Deferred tax		-444.13	-421.72
Short/(Excess) Provision of Tax written Off /(back)		1245.91	2122.12
		7401.78	7425.39
PROFIT/(LOSS) FOR THE YEAR		8637.43	8719.47
Earnings per equity share:	27 (D)		
Basic & diluted		1.61	1.62

Significant Accounting Policies 2

The Notes are an integral part of these financial statements

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

For ASHAR & COChartered Accountants
(ICAI Regn.No.129159W)**For and on behalf of the Board****YOGESH ASHAR**
PARTNER
(Mem.No.046259)**M. B. KHAKHAR**
Chairman & Managing Director**A. Y. PAREKH**
DirectorMUMBAI:
DATED : 27th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13 (` In '000s)	2011-12 (` In '000s)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT / (LOSS) BEFORE TAX	16039.21	16144.86
Adjustment for :		
Depreciation	5062.80	5396.68
Preliminary Expenses written off	9.44	9.44
Interest Paid	13637.40	13658.08
Interest & Dividend Income	-117.82	-22.03
Loss / (Gain) on fixed assets sold/discarded (Net)	-302.13	
Loss / (Gain) on Investments sold/discarded (Net)	1671.75	0.00
	19961.43	19042.16
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	36000.64	35187.03
Decrease / (increase) in Trade Receivables, Short/Long Term		
Loans & Advances, Other Non-Current / Current Assets	-1607.21	30122.23
Decrease / (increase) in Inventories	-12219.69	-20771.67
Increase / (decrease) in Trade Payable, Long Term /		
Current Liabilities & Long / Short Term Provisions.	-3479.67	-29804.79
	-17306.57	-20454.23
CASH GENERATED FROM OPERATIONS	18694.07	14732.80
Direct Taxes paid	-6195.07	-5403.69
NET CASH FROM OPERATING ACTIVITIES	12499.00	9329.10
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible / Intangible Assets, Capital Work		
in Progress & Capital Advances	-509.19	-4224.30
Proceeds from sale of Fixed Assets	1511.11	0.00
Interest & Dividend income	117.82	22.03
NET CASH USED IN INVESTING ACTIVITIES	1119.74	-4202.27
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayments) / proceeds from Borrowings (Net)	5203.51	12151.32
Proceeds from Term Loan	-978.33	414.66
Interest paid	-13637.40	-13658.08
Dividend and Corporate Dividend Tax	-3668.82	-3643.58
NET CASH FROM FINANCING ACTIVITIES	-13081.04	-4735.68
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	537.71	391.15
CASH AND CASH EQUIVALENTS AS AT 31.3.2012	4869.05	4477.89
CASH AND CASH EQUIVALENTS AS AT 31.3.2013	5406.76	4869.05

As per our attached Report of even date

For ASHAR & CO

Chartered Accountants
(ICAI Regn.No.129159W)YOGESH ASHAR
PARTNER
(Mem.No.046259)

For and on behalf of the Board

M. B. KHAKHAR
Chairman & Managing DirectorA. Y. PAREKH
DirectorMUMBAI:
DATED : 27th May, 2013

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**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, 1956.

All assets and liabilities have been classified as current or non-current as per criteria set out in the Schedule VI to the Companies Act, 1956.

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, 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 Assets has been provided on Written Down Value Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 on prorata basis from the date of additions and/or disposal.

Depreciation on Intangible Assets comprising of Computer Software has been provided on Written Down Value Method at the rates mentioned for computers and in the manner prescribed in Schedule XIV to the Companies Act, 1956 on prorata basis from the date of additions and/or disposal.

Borrowing costs

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

Impairment

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

Investments

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**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.

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 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 2013**NOTE 3: SHARE CAPITAL**

	AS AT March 31, 2013 (` In '000s)	AS AT March 31, 2012 (` 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, 2013 ` In '000	Nos.	As at March 31, 2012 ` 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	March 31, 2013		March 31, 2012	
	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

	March 31, 2013 (` In '000s)	March 31, 2012 (` In '000s)
--	--------------------------------	--------------------------------

NOTE 4: RESERVES AND SURPLUS

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	38599.39	33631.58
Profit / loss for the year	8637.43	8719.47
Less:- Appropriations		
Proposed Dividend	3228.00	3228.00
Corporate Tax on Dividend	548.60	523.66
Transfer to General Reserve	0.00	0.00
	<u>43460.22</u>	<u>38599.39</u>
Closing Balance	<u>100765.12</u>	<u>95904.29</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

	Non Current ` in '000s		Current Maturities ` in '000s	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
NOTE 5: LONG-TERM BORROWINGS				
Secured				
Term Loans:				
From a Bank	—	—	—	—
Foreign Currency Loan from a Bank	—	—	—	—
Vehicle Loans: (Refer Note (a) below)	544.23	1,038.74	494.51	978.33
Amounts disclosed under the head 'Other Current Liabilities' (Note 11)	—	—	(494.51)	(978.33)
	<u>544.23</u>	<u>1,038.74</u>	<u>—</u>	<u>—</u>

(a) 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-Mar-15	9.62	47750

NOTE 6 : PROVISIONS

	Long-Term ` in '000s		Short-Term ` in '000s	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Provision for employee benefits				
Gratuity	1765.96	1244.85	191.02	117.90
Tax (Net of advance Tax paid)	0.00	0.00	2895.96	1258.06
Proposed Dividend	0.00	0.00	3228.00	3228.00
Corporate Tax on Dividend	0.00	0.00	548.60	523.66
	<u>1765.96</u>	<u>1244.85</u>	<u>6863.58</u>	<u>5127.62</u>

NOTE 7 : SHORT-TERM BORROWINGS

	` in '000s	
	March 31, 2013	March 31, 2012
Secured		
Working Capital Facilities from Banks	97049.48	96145.97
Unsecured		
Loans from Directors and Related Parties	4300.00	0.00
	<u>101349.48</u>	<u>96145.97</u>

Nature of security:

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

NOTE 8 : TRADE PAYABLES

	` in '000s	
	March 31, 2013	March 31, 2012
Trade Payables (Refer Note 27 (C))	28392.47	38321.34
	<u>28392.47</u>	<u>38321.34</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 9 : OTHER CURRENT LIABILITIES

	in '000s March 31, 2013	in '000s March 31, 2012
Current maturities of long term borrowings (Note 5)	494.51	978.33
Advance from Customers	76723.08	72642.70
Statutory dues :		
Service Tax	428.94	614.18
Withholding Taxes	389.75	350.47
Others - VAT and Central Sales Tax	3894.89	2809.69
Other payables:		
Liabilities for expenses	3553.93	2705.66
Unclaimed Dividend	419.44	336.60
	85904.54	80437.62

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 1/4/2012	ADDITIONS	Deductions/ Adjustments	Cost/Value as at 31/3/2013	UPTO 31/3/2012	Provided during the year	Deductions/ Adjustments	UPTO 31/3/2013	AS AT 31/3/2013	AS AT 31/3/2012
Tangible Assets										
Land	141.04	0.00	0.00	141.04	0.00	0.00	0.00	0.00	141.04	141.04
Buildings	4425.11	0.00	0.00	4425.11	2673.34	175.18	0.00	2848.52	1576.60	1751.78
Plant & Machinery	8149.76	0.00	0.00	8149.76	5424.30	348.49	0.00	5772.79	2376.96	2725.45
Furniture & Fixtures	29197.95	209.34	0.00	29407.29	15031.62	2573.60	0.00	17605.22	11802.07	14166.34
Computer	1672.95	133.25	0.00	1806.19	1359.71	140.94	0.00	1500.65	305.55	313.24
Office Equipment	4805.05	166.60	0.00	4971.65	2617.10	344.28	0.00	2961.38	2010.27	2187.95
Vehicles	15671.91	0.00	3161.42	12510.48	8751.26	1478.75	1952.45	8277.57	4232.92	6920.65
Total Tangible Assets	64063.76	509.19	3161.42	61411.53	35857.33	5061.24	1952.45	38966.12	22445.41	28206.44
Previous year	59839.46	4224.30	0.00	64063.76	30463.26	5394.07	0.00	35857.33	28206.44	29376.20
Intangible Assets										
Computer Software	37.44	0.00	0.00	37.44	33.54	1.56	0.00	35.10	2.34	3.90
Total Intangible Assets	37.44	0.00	0.00	37.44	33.54	1.56	0.00	35.10	2.34	3.90
Previous year	37.44	0.00	0.00	37.44	30.93	2.61	0.00	33.54	3.90	3.62
Grand Total									22447.75	28210.34

NOTE 11 : DEFERRED TAX ASSET (NET):

	in '000s March 31, 2013	in '000s March 31, 2012
The breakup of Deferred Tax Asset:		
Arising on account of timing difference in:		
- Depreciation	2132.81	1881.48
- Accrued Expenses allowable on Actual Payments	634.94	442.14
Deferred Tax Asset (Net)	2767.75	2323.62

NOTE 12 : NON-CURRENT INVESTMENTS

Trade - Unquoted - Fully Paid		
150 Equity Shares of AED 1,000/- each of Stone Source Trading LLC	—	1671.75
Investment in Subsidiaries in fully paid equity instruments		
20000 Equity shares of GBP 1/- each of Granitexx UK Limited.	1609.51	1609.51
Non Trade - Unquoted - Fully Paid		
270000 Equity shares of ₹ 10/- each of Global Instile Solid Industries Limited	9450.00	9450.00
	11059.51	12731.26

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 13 : LOANS & ADVANCES

	Long Term in '000s		Short Term in '000s	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Unsecured, Considered Good				
Loan to Employees	0.00	0.00	349.40	13.00
Advances Recoverable in cash or in kind	0.00	0.00	63326.62	50813.10
Advance to Suppliers	0.00	0.00	17963.85	12463.31
Other loans and advances:	0.00	0.00	0.00	0.00
Balances with Custom and Excise authorities	0.00	0.00	1846.52	1687.13
Advance payment of Income Tax / Tax Deducted at Source (after adjusting provision)	0.00	0.00	0.00	0.00
	<u>0.00</u>	<u>0.00</u>	<u>83486.39</u>	<u>64976.54</u>

NOTE 14 : OTHER ASSETS

	Non-Current in '000s		Current in '000s	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Unsecured, Considered Good				
Interest accrued on fixed Deposits	0.00	0.00	21.90	34.30
Prepaid Expenses	0.00	0.00	151.44	230.60
Deposits	23245.44	23455.44	434.75	85.00
Non-current Bank Balances (Note 18)	0.00	0.00	0.00	0.00
Others - Miscellaneous Expenditure to the extent not written off or adjusted	28.32	37.76	9.44	9.44
	<u>23273.76</u>	<u>23493.20</u>	<u>617.53</u>	<u>359.34</u>

NOTE 15 : INVENTORIES

	in '000s	
	March 31, 2013	March 31, 2012
At lower of cost and net realisable value		
Raw materials	3371.27	2083.13
Stock-in-process	0.00	0.00
Finished goods	178893.06	167949.82
Tools and Stores	10.36	22.05
	<u>182274.69</u>	<u>170055.00</u>

NOTE 16 : TRADE RECEIVABLES

	in '000s	
	March 31, 2013	March 31, 2012
Unsecured, Considered Good		
Overdue for a period exceeding six months	33733.93	42394.38
Others	14317.31	22607.70
	<u>48051.25</u>	<u>65002.08</u>

NOTE 17 : CASH & BANK BALANCES

	Non-current in '000s		Current in '000s	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Cash & Cash equivalents:				
Balances with banks;				
In Current Accounts	0.00	0.00	800.95	1526.21
Cash on hand	0.00	0.00	2103.78	1036.51
	<u>0.00</u>	<u>0.00</u>	<u>2904.74</u>	<u>2562.72</u>
Other Bank Balances;				
In Deposit Accounts (more than 12 months maturity)	0.00	0.00	219.84	179.46
In Deposit Accounts (more than 3 months but less than 12 months maturity)	0.00	0.00	1862.74	1790.27
In unclaimed Dividend Account	0.00	0.00	419.44	336.60
	<u>0.00</u>	<u>0.00</u>	<u>2502.02</u>	<u>2306.33</u>
Amounts disclosed under 'Non Current Assets' (Note 15)	0.00	0.00	0.00	0.00
	<u>0.00</u>	<u>0.00</u>	<u>5406.76</u>	<u>4869.05</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 18 : REVENUE FROM OPERATIONS

	in '000s 2012-13	in '000s 2011-12
Sales:		
- Goods	421638.30	395041.59
- Services including labour charges	11823.48	36957.50
Other Operating Revenues	15343.60	14640.50
	<u>448805.38</u>	<u>446639.59</u>

NOTE 19 : OTHER INCOME

<u>Interest:</u>		
On Fixed Deposits with Bank	117.82	22.03
Unspent Liabilities/Sundry balances written back (net)	842.39	919.55
Bad Debts written off in Previous Year now recovered	343.76	—
Net gain on Foreign Currency transactions	272.43	2391.27
Profit on Sale of Fixed Assets	302.13	—
Miscellaneous Receipts	430.18	24.23
	<u>2308.71</u>	<u>3357.08</u>

NOTE 20 : COST OF MATERIALS CONSUMED

Cost of Materials Consumed		
Opening Stock	2083.13	2286.43
Add: Purchases	4661.67	3455.98
	<u>6744.79</u>	<u>5742.41</u>
Less: Closing Stock	3371.27	2083.13
	<u>3373.52</u>	<u>3659.29</u>
Details of Raw Materials consumed		
Granite	1190.57	1208.07
Slate	734.70	887.92
Semi Precious	1448.26	1563.29
	<u>3373.52</u>	<u>3659.29</u>

NOTE 21 : PURCHASES OF STOCK IN TRADE

Purchases of Stock in Trade		
Granite	3047.40	4565.91
Marble	319197.23	310463.25
Mosaics	4516.48	7519.26
Semi Precious	887.57	471.60
Slate	4598.37	2294.42
Steel	0.00	19455.85
Wood	8733.62	10185.31
Other Misc.Items	0.94	1.55
	<u>340981.60</u>	<u>354957.14</u>

NOTE 22 : CHANGES IN INVENTORY OF FINISHED GOODS

Closing Stock:		
Finished Goods - Manufactured	2739.53	3783.20
Finished Goods - Traded	176153.53	164166.62
	<u>178893.06</u>	<u>167949.82</u>
Less: Opening Stock:		
Finished Goods - Manufactured	3783.20	5244.17
Finished Goods - Traded	164166.62	141562.23
	<u>167949.82</u>	<u>146806.40</u>
Differential Excise Duty on Opening and Closing stock of Finished Goods	0.00	0.00
	<u>-10943.24</u>	<u>-21143.43</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Details of Inventory

Class of Goods	in '000s					
	Sales	Manufactured Goods		Traded Goods		
		Opening Stock	Closing Stock	Opening Stock	Closing Stock	
Granite	9128.50	552.83	737.03	2957.68	3135.68	
Marble	376198.61	—	—	156560.99	169259.25	
Mosaics	9328.01	—	—	1015.41	267.69	
Sealants	97.14	—	—	1155.68	1212.57	
Semi Precious	4772.53	3230.38	2002.50	1980.42	1980.42	
Slate	10740.39	—	—	284.14	297.94	
Wood	11373.12	—	—	212.30	212.30	
TOTAL	421638.30	3783.20	2739.53	164166.62	176153.53	

NOTE 23 : EMPLOYEE BENEFITS EXPENSE

	in '000s 2012-13	in '000s 2011-12
Salaries, Wages, Bonus, and Allowances	21157.34	20357.34
Company's Contribution to Provident, Gratuity and Other Funds (Refer Note (a) below)	594.23	471.18
Welfare Expenses	172.61	168.23
	21924.18	20996.74

(a) Employee Benefits

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

(i) Defined benefit plans:	Gratuity* Unfunded		Pension# Unfunded	
	31/3/2013	31/3/2012	31/3/2013	31/3/2012
Service Cost	324.15	257.01	-	-
Interest Cost	109.02	71.33	-	-
Expected return on plan assets	0.00	0.00	-	-
Net Actuarial (Gain) / Loss	161.06	142.84	-	-
Net Cost	594.23	471.18	-	-
* 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	1956.98	1362.75	-	-
Fair value of plan assets	0.00	0.00	-	-
Net asset / (liability) as at 31st March, 12 recognised in the Balance Sheet	-1956.98	-1362.75	-	-
c. Balance Sheet reconciliation				
Opening net asset / (liability)	-1362.75	0.00		
Expenses as above	-594.23	-1362.75		
Employers contribution	0.00	0.00		
Closing net asset / (liability) recognised in the Balance Sheet	-1956.98	-1362.75		
d. The principal actuarial assumptions	Gratuity	Pension		
	31/3/2013	31/3/2012	31/3/2010	31/3/2009
Discount rate	8% p.a.	8% p.a.		
Salary escalation rate:				
Staff	4% p.a.	4% p.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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**e. Amounts for the current and previous periods are as follows:**

	31/3/2013	<u>31/3/2012</u>	<u>31/3/2010</u>	in '000s <u>31/3/2009</u>
Gratuity				
Defined Benefit Obligation	1956.98	1362.75	0	0
Plan Assets	0.00	0.00	0	0
Surplus / (Deficit)	-1956.98	-1362.75	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 2012-13	in '000s 2011-12
Interest	13637.40	13658.08
Bank Charges	975.97	896.86
	14613.37	14554.94

NOTE 25 : DEPRECIATION & AMORTISATION EXPENSE

	5061.24	5394.07
Depreciation on tangible assets	1.56	2.61
Amortisation on intangible assets	5062.80	5396.68

NOTE 26 : OTHER EXPENSES

Tools and Stores Consumed	1195.57	1206.38
Packing Materials consumed	237.09	239.69
Power and Fuel	2143.48	1671.82
Repairs and Renewals:		
Buildings / Premises	665.95	378.57
Plant and Machinery	382.10	485.62
Other Assets	0.00	0.00
Insurance	315.97	146.32
Rent	10438.27	9903.98
Printing and Stationery	413.08	379.31
Travelling & Conveyance	12173.23	10485.71
Postage & Courier Expenses	462.77	244.26
Telephone Expenses	1393.65	1514.04
Legal & Professional Charges	3789.76	2885.37
Auditors' Remuneration:		
As Auditors:		
Audit fee	112.36	89.89
Tax Audit fee	67.42	50.56
Reimbursement of Expenses etc.	0.00	0.00
	179.78	140.45
VAT & CST Paid	16265.83	15708.99
Service Tax	194.58	173.11
Bad Debts	77.41	1824.36
Entertainment Expenses	1002.31	603.79
Vehicle Expenses	769.63	728.71
Directors' Sitting Fees	78.00	78.00
Freight and Forwarding (Net)	3748.37	4243.07
Loss on Investments	1671.75	0.00
Miscellaneous Expenses	2464.06	2388.90
	60062.63	55430.45

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] It is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above pending matters.
- B The Company has exposure to currency fluctuations. It does not hedge its position as the management feels it does not have any material impact as the company is importer as well as exporter of goods and services.
- C Under the Micro and Small enterprises under Micro, Small and Medium Enterprise Development Act, 2006; (MSMED) which came in to force from October 2, 2006, certain disclosures are to be made relating to Micro, Small and Medium Enterprises. On the basis of information available with the company, no such parties are being identified, hence no disclosure have been made in accounts. However, in view of the management, the impact of interest if any, that may be payable in accordance to the provisions of this act is not expected to be material.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 27 : OTHER ADDITIONAL NOTES / INFORMATION

	2012-13	2011-12
D Earnings Per Share:		
Profit/(Loss) after taxation and refund of income tax. (` in lacs)	86.37	87.19
Number of Equity Shares (Face Value ` 10/-)	5380000	5380000
Earning Per Share in Rupees - Basic & diluted	1.61	1.62

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	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
PURCHASES:								
Goods and Material	—	—	—	—	23903.11	19386.75	—	—
SALES:								
Goods and Material	—	—	1437.82	445.44	20285.96	73.13	—	—
EXPENSES:								
Rent	360.00	360.00	—	—	—	—	240.00	240.00
Remuneration & Allowances	4860.00	4860.00	—	—	—	—	960.00	960.00
Directors' fees	—	—	—	—	—	—	18.00	18.00
INCOME:	—	—	—	—	—	—	—	—
OUTSTANDINGS:								
Payable	—	81.00	—	—	—	—	18.00	72.00
Receivable	—	—	2998.25	4305.94	2713.65	2737.80	—	—
LOANS:								
Payable	4300.00	260.00	—	—	—	—	—	—
Receivable	—	—	—	—	—	—	—	—
Taken	5000.00	900.00	—	—	—	—	—	—
Re-Paid	700.00	640.00	—	—	—	—	—	—
ADVANCE AGAINST ORDER								
Payable	—	—	—	—	—	—	—	2000.00
Taken (Net)	—	—	—	—	—	—	—	2000.00
DEPOSITS:								
Given	7500.00	7500.00	—	—	—	—	10000.00	10000.00
GUARANTEES:								
Given	—	—	—	—	—	—	—	—
Taken	200000.00	200000.00	—	—	100000.00	100000.00	—	—

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 27 : OTHER ADDITIONAL NOTES / INFORMATION

Sr. No.	Nature of Transaction	Key Management Personnel		Subsidiaries		Associate Concern	Relatives of Key Management personnel and Enterprise owned and significantly influenced by Key Management personnel or their relatives			
		Milan Khakhar	Prakash Khakhar	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	2430.00 (2430.00)	2430.00 (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	5000.00 —	— (900.00)	—	—	—	—	—	—	—
b)	Loans refunded	700.00 —	260.00 (640.00)	—	—	—	—	—	—	—
3	Purchase of Goods	—	—	—	—	23903.11 (19386.75)	—	—	—	—
4	Sale of Goods	—	—	—	1437.82 (445.44)	20285.96 (73.13)	—	—	—	—
5	a) Advance Received against order	—	—	—	—	—	—	—	—	—
b)	Advance Refunded	—	—	—	—	—	—	—	2000.00 (1000.00)	—
6	Deposits Receivable as on 31st March	3750.00 (3750.00)	3750.00 (3750.00)	—	—	—	10000.00 (10000.00)	—	—	—
7	Outstanding Payable as on 31st March	— (40.50)	— (300.50)	—	—	—	—	18.00 (18.00)	—	—
8	Outstanding Receivable as on 31st March	—	—	705.88 (2753.14)	2292.37 (1552.80)	2713.65 (2737.80)	—	—	—	—
9	Outstanding Guarantee taken as on 31st March	100000.00 (100000.00)	100000.00 (100000.00)	—	—	100000.00 (100000.00)	—	—	—	—

(figures in Brackets relate to previous year)

	in '000s 31/3/2013	in '000s 31/3/2012
F Remuneration to Directors		
1) Nature of transactions:		
Remuneration to Directors	4800.00	4800.00
Remuneration Perquisites	60.00	60.00

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	in '000s 31/3/2013	in '000s 31/3/2012
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		
As Auditors (inclusive of Service Tax)	112.36	89.89
Tax Audit Fees (inclusive of Service Tax)	67.42	50.56
Total	179.78	140.45

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

Particulars	2012-13		2011-12	
	in '000s	% to Total	in '000s	% to Total
1. Raw Materials				
Indigenous	3373.52	100.00	3659.29	100.00
Imported	—	—	—	—
	3373.52	100.00	3659.29	100.00
2. Stores & Consumables				
Indigenous	1195.57	100.00	1206.38	100.00
Imported	—	—	—	—
	1195.57	100.00	1206.38	100.00

Particulars	2012-13		2011-12	
	in '000s	% to Total	in '000s	% to Total
J Value of Imports on CIF Basis:				
1. Finished Products	74819.56		59871.67	
K Expenditure in Foreign Currency (on cash basis):				
1. Travelling	5752.36		6340.77	
2. Trading Goods Imports	74819.56		59871.67	
L Earnings in Foreign Currency -				
1. Export of goods on F.O.B. basis (incl. Deemed Export)	2665.12		4295.51	
2. Others	8164.66		25952.51	

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. 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 31/3/2013	in '000s 31/3/2012
Not Later than One Year	936	825
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 shown in bracket.

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)

For and on behalf of the Board

YOGESHASHAR
PARTNER
(Mem.No.046259)

M.B.KHAKHAR
Chairman & Managing Director

A. Y. PAREKH
Director

MUMBAI:
DATED : 27th May,2013

Statement Pursuant to Section 212 of the Companies Act, 1956, Relating to Subsidiary Companies

Name of the subsidiary company	Granitexx UK Ltd.	Stone Source GB Ltd.
Financial year of the subsidiary ended on	31/03/2013	31/03/2013
Number of Equity Shares in the subsidiary held by the Company directly or through its subsidiary companies on March 31, 2013	20,000 Ordinary Shares of £1 each fully paid-up	5100 Ordinary Shares of £1 each fully paid-up
Extent of Holding (%)	100%	51%
The net aggregate of profits, less losses, of the subsidiary company so far as it concerns the Members of Solid Stone Company Limited		
i) Dealt with the accounts of Solid Stone Company Limited amounted to:		
(a) for the subsidiary's financial year ended March 31, 2013	Nil	Nil
(b) for previous financial years of the subsidiary since it became subsidiary of Solid Stone Company Limited.	Nil	Nil
ii) Not dealt with in the accounts of Solid Stone Company Limited amounted to:		
(a) for the subsidiary's financial year ended March 31, 2013	(£ 8,785)	£ 3,414
(b) for previous financial years of the subsidiary since it became subsidiary of Solid Stone Company Limited.	£ 22,085	(£ 27,422)

(Figures in brackets denote Losses)

For and on behalf of the Board

M. B. KHAKHAR

Chairman & Managing Director

A. Y. PAREKH

Director

MUMBAI : 27th May, 2013

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**To the Board of Directors of Solid Stone Company Limited**

We have audited the accompanying Consolidated Financial Statements of **SOLID STONE COMPANY LIMITED** its subsidiaries Granitexx UK Limited and Stone Source GB Limited which comprise the Consolidated Balance Sheet as at March 31, 2013 and the Consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for 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 Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including assessment of risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used the reasonableness of the accounting estimates made by the management as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The financial statements of subsidiary companies, Granitexx UK Limited and Stone Source GB Limited for the year ended March 31, 2013, have been compiled by Chartered Certified Accountants, UK which has been approved by the Board of Directors of aforesaid subsidiaries, whose reports have been furnished to us and whose financial statements reflect total assets (net) of Rupees 17.98 Lacs and total Gross Revenue of Rupees 157.15 lacs and Profit of ` 5.26 lacs. We have placed reliance on the said reports for the purpose of our opinion on the Consolidated Financial Statements. Our opinion is not qualified in respect of this matter.

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements read with the notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India;

- (1) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (2) in the case of consolidated Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- (3) in the case of consolidated Cash Flow Statement, of cash flows for the year ended on that date.

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

YOGESH ASHAR
PARTNER
(Mem.No.046259)

PLACE : MUMBAI
DATE : 27th MAY, 2013

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	AS AT 31ST MARCH, 2013 (` in '000s)	AS AT 31ST MARCH, 2012 (` in '000s)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	53800.00	53800.00
Reserves & Surplus	4	99100.94	93471.51
		<u>152900.94</u>	<u>147271.51</u>
Non-Current Liabilities			
Long-Term Borrowings	5	544.23	1038.74
Long-Term Provisions	6	1765.96	1244.85
		<u>2310.19</u>	<u>2283.59</u>
Current Liabilities			
Short-Term Borrowings	7	103631.08	98900.56
Trade Payables	8	29029.22	38845.56
Other Current Liabilities	9	86290.59	82036.57
Short-Term Provisions	6	6863.58	5127.62
		<u>225814.47</u>	<u>224910.31</u>
TOTAL		<u><u>381025.60</u></u>	<u><u>374465.41</u></u>
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		23216.99	29034.00
Intangible Assets		2.34	3.90
		<u>23219.33</u>	<u>29037.90</u>
Deferred Tax Asset	11	2767.75	2055.12
Non-Current Investments	12	9450.00	11121.75
Long-Term Loans & Advances	13	0.00	0.00
Other Non-Current Assets	14	23273.76	23493.20
		<u>58710.84</u>	<u>65707.97</u>
Current Assets			
Inventories	15	184796.18	172789.22
Trade Receivables	16	45346.63	60953.67
Cash & Bank Balances	17	7892.35	9600.89
Short-Term Loans & Advances	13	83662.06	64976.54
Other Current Assets	14	617.53	437.13
		<u>322314.76</u>	<u>308757.44</u>
TOTAL		<u><u>381025.60</u></u>	<u><u>374465.41</u></u>
Significant Accounting Policies	2		

The Notes are an integral part of these financial statements

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

For ASHAR & CO

Chartered Accountants
(ICAI Regn.No.129159W)

For and on behalf of the Board

YOGESH ASHAR
PARTNER
(Mem.No.046259)

M. B. KHAKHAR
Chairman & Managing Director

A. Y. PAREKH
Director

MUMBAI:
DATED : 27th May, 2013

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	2012-13 (` in '000s)	2011-12 (` in '000s)
INCOME			
Revenue from operations (Gross)	18	462321.87	460596.50
Less:- Excise Duty		0.00	0.00
Revenue from operations (Net)		462321.87	460596.50
Other income	19	2322.38	3110.44
Total Revenue		464644.25	463706.94
EXPENSES			
Cost of materials consumed	20	3373.52	3659.29
Purchases of Stock in Trade	21	348624.91	361619.21
Changes in Inventory	22	-10730.51	-18345.16
Employee benefits expense	23	23929.93	21740.62
Finance costs	24	14681.53	14626.59
Depreciation & Amortisation expense	25	5195.58	5559.62
Other expenses	26	63005.19	58316.73
Total Expenses		448080.17	447176.90
PROFIT/(LOSS) BEFORE TAX		16564.07	16530.04
Tax Expense:			
Current tax		6600.00	5725.00
Deferred tax		-712.63	-153.22
Short/(Excess) Provision of Tax written Off /(back)		1245.91	2122.12
		7133.28	7693.90
Add/(Less) : Share of Profit/(Loss) of Minority Interest			-400.82
PROFIT/(LOSS) FOR THE YEAR		9430.80	9236.96
Earnings per equity share:	27 (D)		
Basic & diluted		1.75	1.72

Significant Accounting Policies 2

The Notes are an integral part of these financial statements

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

For ASHAR & CO

Chartered Accountants
(ICAI Regn.No.129159W)

For and on behalf of the Board

YOGESH ASHAR
PARTNER
(Mem.No.046259)

M. B. KHAKHAR
Chairman & Managing Director

A. Y. PAREKH
Director

MUMBAI:
DATED : 27th May, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13		2011-12	
	(` in '000s)	(` in '000s)	(` in '000s)	(` in '000s)
A. CASH FLOW FROM OPERATING ACTIVITIES :				
NET PROFIT / (LOSS) BEFORE TAX		16564.07		16530.04
Adjustment for :				
Depreciation	5195.58		5559.62	
Preliminary Expenses written off	9.44		9.44	
Interest Paid	13637.40		13666.01	
Interest & Dividend Income	-117.82		-22.19	
Loss / (Gain) on fixed assets sold/discarded (Net)	-302.13			
Loss / (Gain) on Investments sold/discarded (Net)	1671.75	20094.22	—	19212.88
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		36658.29		35742.92
Decrease / (increase) in Trade Receivables, Short / Long Term	-2873.21		29987.66	
Loans & Advances, Other Non-Current / Current Assets Decrease / (increase) in Inventories	-12006.96		-17973.41	
Increase / (decrease) in Trade Payable, Long Term / Current Liabilities & Long / Short Term Provisions.	-4966.10	-19846.27	-30431.99	-18417.74
CASH GENERATED FROM OPERATIONS		16812.02		17325.18
Direct Taxes paid		-6385.51		-5042.46
NET CASH FROM OPERATING ACTIVITIES		10426.51		12282.73
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Tangible / Intangible Assets, Capital Work in Progress & Capital Advances	-585.99		-4224.30	
Proceeds from sale of Fixed Assets	1511.11		—	
Interest & Dividend income	117.82		22.19	
NET CASH USED IN INVESTING ACTIVITIES		1042.94		-4202.11
C. CASH FLOW FROM FINANCING ACTIVITIES				
(Repayments) / proceeds from Borrowings (Net)	4730.53		12243.38	
Minority Interest	400.82		-48.36	
Foreign Translation Reserve	-24.77		-1003.24	
Proceeds from Term Loan	-978.33		414.66	
Interest paid	-13637.40		-13666.01	
Dividend and Corporate Dividend Tax	-3668.82		-3643.58	
NET CASH FROM FINANCING ACTIVITIES		-13177.98		-5703.15
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		-1708.53		2377.47
CASH AND CASH EQUIVALENTS AS AT 31.3.2012		9600.89		7223.41
CASH AND CASH EQUIVALENTS AS AT 31.3.2013		7892.35		9600.89

(Figures in negative / brackets indicate Outflows)

As per our Report of Even Date attached

For ASHAR & CO

Chartered Accountants

(ICAI Regn.No.129159W)

For and on behalf of the Board**YOGESH ASHAR**

PARTNER

(Mem.No.046259)

M. B. KHAKHAR

Chairman & Managing Director

A. Y. PAREKH

Director

MUMBAI:

DATED : 27th May, 2013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**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

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, 1956.

All assets and liabilities have been classified as current or non-current as per criteria set out in the Schedule VI to the Companies Act, 1956.

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, 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.

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", 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, 2013
1.	Granitexx UK Limited	United Kingdom	100%
2.	Stone Source GB Limited	United Kingdom	51% Equity held by Granitexx UK Ltd (100% subsidiary)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

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, 1956.

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 Fixed Assets included under the head Plant & Machinery and Software has been provided on Written Down Value Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 on prorata basis from the date of additions and/or disposal.

In the following foreign subsidiaries, depreciation is provided on Written Down Value method at rates which are higher than the rates given in Schedule XIV to the Companies Act, 1956:

<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. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**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 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 business 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 2013

NOTE 3: SHARE CAPITAL

	AS AT 31ST MARCH, 2013 AMOUNT (` in '000s)	AS AT 31ST MARCH, 2012 AMOUNT (` 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, 2013 ` in '000	Nos.	As at March 31, 2012 ` 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	March 31, 2013		March 31, 2012	
	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

	` in'000s March 31, 2013	` in'000s March 31, 2012
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	37835.95	32350.65
Profit / loss for the year	9430.80	9236.96
Less:- Appropriations		
Proposed Dividend	3228.00	3228.00
Corporate Tax on Dividend	548.60	523.66
Transfer to General Reserve	0.00	0.00
	<u>43490.15</u>	<u>37835.95</u>
Closing Balance	-1694.11	-1669.34
Foreign Currency Translation Reserve	<u>99100.94</u>	<u>93471.51</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 5: LONG-TERM BORROWINGS

	Non-current ` in'000s		Current maturities ` in'000s	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Secured				
Term Loans:				
From a Bank	—	—	—	—
Foreign Currency Loan from a Bank	—	—	—	—
Vehicle Loans: (Refer Note (a) below)	544.23	1038.74	494.51	978.33
Amounts disclosed under the head 'Other Current Liabilities' (Note 11)	—	—	-494.51	-978.33
	<u>544.23</u>	<u>1038.74</u>	<u>—</u>	<u>—</u>

a. 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-Mar-15	9.62	47750

NOTE 6 : PROVISIONS

	Long-Term ` in'000s		Short-Term ` in'000s	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Provision for employee benefits				
Gratuity	1765.96	1244.85	191.02	117.90
Tax (Net of advance Tax paid)	—	—	2895.96	1258.06
Proposed Dividend	—	—	3228.00	3228.00
Corporate Tax on Dividend	—	—	548.60	523.66
	<u>1765.96</u>	<u>1244.85</u>	<u>6863.58</u>	<u>5127.62</u>

NOTE 7 : SHORT-TERM BORROWINGS

	` in'000s	
	March 31, 2013	March 31, 2012
Secured		
Working Capital Facilities from Banks	97049.48	96145.97
Unsecured		
Loans from Directors and Related Parties	6581.61	2754.59
	<u>103631.08</u>	<u>98900.56</u>

Nature of security:

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

NOTE 8 : TRADE PAYABLES

	` in'000s	
	March 31, 2013	March 31, 2012
Trade Payables (Refer Note 27(C))	29029.22	38845.56
	<u>29029.22</u>	<u>38845.56</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 9 : OTHER CURRENT LIABILITIES

	in'000s March 31, 2013	in'000s March 31, 2012
Current maturities of long term borrowings (Note 5)	494.51	978.33
Advance from Customers	76723.08	72642.70
Statutory dues :		
Service Tax	428.94	614.18
Withholding Taxes	389.75	350.47
Others - VAT and Central Sales Tax	3898.51	2858.61
Other payables:		
Liabilities for expenses	3936.35	4255.69
Unclaimed Dividend	419.44	336.60
	86290.59	82036.57

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

NOTE 10 : FIXED ASSETS

		GROSS BLOCK					DEPRECIATION			NET BLOCK		
Nature of Fixed Assets	Cost/Value as at 1/4/2012	ADDITIONS	Deductions/ Adjustments	Translation Exchange Difference	Cost/Value as at 31/3/2013	UPTO 31/3/2012	Provided during the year	Deductions/ Adjustments	Translation Exchange Difference	UPTO 31/3/2013	AS AT 31/3/2013	AS AT 31/3/2012
Tangible Assets												
Land	141.04	0.00	0.00		141.04	0.00	0.00	0.00	0.00	141.04	141.04	141.04
Buildings	4425.11	0.00	0.00		4425.11	2673.34	175.18	0.00		2848.52	1576.60	1751.78
Plant & Machinery	10012.57	76.81	0.00		10089.38	6467.49	479.22	0.00		6946.70	3142.67	3545.08
Furniture & Fixtures	29197.95	209.34	0.00		29407.29	15031.62	2573.60	0.00		17605.22	11802.07	14166.34
Computer	1672.95	133.25	0.00		1806.19	1359.71	140.94	0.00		1500.65	305.55	313.24
Office Equipment	4830.41	166.60	0.00		4997.01	2634.52	346.34	0.00		2980.86	2016.15	2195.88
Vehicles	15671.91	0.00	3161.42		12510.48	8751.26	1478.75	1952.45		8277.57	4232.92	6920.65
Total Tangible Assets	65951.93	585.99	3161.42		63376.51	36917.93	5194.03	1952.45		40159.52	23216.99	29034.00
Previous year	61499.80	4224.30	0.00	227.84	65951.93	31252.61	5557.01	0.00	108.32	36917.93	29034.00	30247.19
Intangible Assets												
Computer Software	37.44	0.00	0.00		37.44	33.54	1.56	0.00		35.10	2.34	3.90
Total Intangible Assets	37.44	0.00	0.00		37.44	33.54	1.56	0.00		35.10	2.34	3.90
Previous year	37.44	0.00	0.00		37.44	30.93	2.61	0.00		33.54	3.90	3616.00
Grand Total											23219.33	29037.90

NOTE 11 : DEFERRED TAX ASSET (NET):

	in'000s March 31, 2013	in'000s March 31, 2012
The breakup of Deferred Tax Asset:		
Arising on account of timing difference in:		
- Depreciation	2132.81	1612.97
- Accrued Expenses allowable on Actual Payments	634.94	442.14
Deferred Tax Asset (Net)	2767.75	2055.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Note 12 : NON-CURRENT INVESTMENTS

	in'000s March 31, 2013	in'000s March 31, 2012
Trade - Unquoted - Fully Paid		
150 Equity Shares of AED 1,000/- each of Stone Source Trading LLC (Investment in Stone Source Trading LLC has become NIL as the Company was liquidated during the year)	—	1671.75
Non Trade - Unquoted - Fully Paid		
270000 Equity shares of ` 10/- each of Global Instile Solid Industries Limited	9450.00	9450.00
	9450.00	11121.75

NOTE 13 : LOANS & ADVANCES

	Long Term in'000s		Short Term in'000s	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Unsecured, Considered Good				
Loan to Employees	—	—	349.40	13.00
Advances Recoverable in cash or in kind	—	—	63502.29	50813.10
Advance to Suppliers	—	—	17963.85	12463.31
Other loans and advances:				
Balances with Custom and Excise authorities	—	—	1846.52	1687.13
Advance payment of Income Tax / Tax Deducted at Source (after adjusting provision)	—	—	0.00	0.00
	—	—	83662.06	64976.54

NOTE 14 : OTHER ASSETS

	Non-current in'000s		Current in'000s	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Unsecured, Considered Good				
Interest accrued on fixed Deposits	—	—	21.90	34.30
Prepaid Expenses	—	—	151.44	308.39
Deposits	23245.44	23455.44	434.75	85.00
Non-current Bank Balances (Note 18)	—	—	—	—
Others - Miscellaneous Expenditure to the extent not written off or adjusted	28.32	37.76	9.44	9.44
	23273.76	23493.20	617.53	437.13

NOTE 15 : INVENTORIES

	in'000s March 31, 2013	in'000s March 31, 2012
At lower of cost and net realisable value		
Raw materials	3371.27	2083.13
Stock-in-process	—	—
Finished goods	181414.55	170684.04
Tools and Stores	10.36	22.05
	184796.18	172789.22

NOTE 16 : TRADE RECEIVABLES

	in'000s March 31, 2013	in'000s March 31, 2012
Unsecured, Considered Good		
Overdue for a period exceeding six months	33095.53	38345.97
Others	12251.09	22607.70
	45346.63	60953.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 17 : CASH & BANK BALANCES

	Non-current in'000s		Current in'000s	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Cash & Cash equivalents:				
Balances with banks;				
In Current Accounts	—	—	2619.59	4846.19
Cash on hand	—	—	2770.74	2448.37
	<u>—</u>	<u>—</u>	<u>5390.33</u>	<u>7294.56</u>
Other Bank Balances;				
In Deposit Accounts (more than 12 months maturity)	—	—	219.84	179.46
In Deposit Accounts (more than 3 months but less than 12 months maturity)	—	—	1862.74	1790.27
In unclaimed Dividend Account	—	—	419.44	336.60
	<u>—</u>	<u>—</u>	<u>2502.02</u>	<u>2306.33</u>
Amounts disclosed under 'Non Current Assets' (Note 15)	—	—	—	—
	<u>—</u>	<u>—</u>	<u>7892.35</u>	<u>9600.89</u>

NOTE 18 : REVENUE FROM OPERATIONS

	in'000s 2012-13	in'000s 2011-12
Sales:		
- Goods	434507.42	408998.51
- Services including labour charges	12470.85	36957.50
Other Operating Revenues	15343.60	14640.50
	<u>462321.87</u>	<u>460596.50</u>

NOTE 19 : OTHER INCOME

	in'000s 2012-13	in'000s 2011-12
Interest:		
On Fixed Deposits with Bank	117.82	22.19
Unspent Liabilities/Sundry balances written back (net)	842.39	919.55
Bad Debts written off in Previous Year now recovered	343.76	—
Net gain on Foreign Currency transactions	286.09	2144.47
Profit on Sale of Fixed Assets	302.13	—
Miscellaneous Receipts	430.18	24.23
	<u>2322.38</u>	<u>3110.44</u>

NOTE 20 : COST OF MATERIALS CONSUMED

	in'000s 2012-13	in'000s 2011-12
Cost of Materials Consumed		
Opening Stock	2083.13	2286.43
Add: Purchases	4661.67	3455.98
	<u>6744.79</u>	<u>5742.41</u>
Less: Closing Stock	3371.27	2083.13
	<u>3373.52</u>	<u>3659.29</u>
Details of Raw Materials consumed		
Granite	1190.57	1208.07
Slate	734.70	887.92
Semi Precious	1448.26	1563.29
	<u>3373.52</u>	<u>3659.29</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 21 : PURCHASES OF STOCK IN TRADE

	in'000s 2012-13	in'000s 2011-12
Purchases of Stock in Trade		
Granite	10690.71	11227.97
Marble	319197.23	310463.25
Mosaics	4516.48	7519.26
Semi Precious	887.57	471.60
Slate	4598.37	2294.42
Steel	—	19455.85
Wood	8733.62	10185.31
Other Misc.Items	0.94	1.55
Total	348624.91	361619.21

NOTE 22 : CHANGES IN INVENTORY OF FINISHED GOODS

Closing Stock:		
Finished Goods - Manufactured	2739.53	3783.20
Finished Goods - Traded	178675.02	166900.84
	181414.55	170684.04
Less: Opening Stock:		
Finished Goods - Manufactured	3783.20	5244.17
Finished Goods - Traded	166900.84	147094.71
	170684.04	152338.88
Differential Excise Duty on Opening and Closing stock of Finished Goods	—	—
	-10730.51	-18345.16

Details of Inventory

Class of Goods	Sales	Manufactured Goods		Traded Goods	
		Opening Stock	Closing Stock	Opening Stock	Closing Stock
Granite	10082.98	552.83	737.03	4647.46	3863.37
Marble	380364.06	—	—	156909.83	169576.99
Mosaics	9378.80	—	—	1215.55	509.00
Sealants	97.14	—	—	1155.68	1212.57
Semi Precious	7060.08	3230.38	2002.50	2230.75	2932.39
Slate	16151.23	—	—	529.27	580.72
Wood	11373.12	—	—	212.30	—
TOTAL	434507.42	3783.20	2739.53	166900.84	178675.02

NOTE 23 : EMPLOYEE BENEFITS EXPENSE

	in'000s 2012-13	in'000s 2011-12
Salaries, Wages, Bonus, and Allowances	23069.32	21101.22
Company's Contribution to Provident, Gratuity and Other Funds (Refer Note (a) below)	688.00	471.18
Welfare Expenses	172.61	168.23
	23929.93	21740.62

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

(i) Defined benefit plans:

	Gratuity* Unfunded		Pension# Unfunded	
	31/3/2013	31/3/2012	31/3/2013	31/3/2012
Service Cost	324.15	257.01	—	—
Interest Cost	109.02	71.33	—	—
Expected return on plan assets	—	—	—	—
Net Actuarial (Gain) / Loss	161.06	142.84	—	—
Net Cost	594.23	471.18	—	—

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

b. Amount recognised in the Balance Sheet

	(` in'000s)			
	Gratuity*		Pension#	
	Unfunded		Unfunded	
	31/3/2013	31/3/2012	31/3/2013	31/3/2012
Present value of defined benefit obligation	1957	1363	—	—
Fair value of plan assets	—	—	—	—
Net asset / (liability) as at 31st March, 13 recognised in the Balance Sheet	<u>-1957</u>	<u>-1363</u>	<u>—</u>	<u>—</u>

c. Balance Sheet reconciliation

Opening net asset / (liability)	-1363	—
Expenses as above	-594	-1363
Employers contribution	—	—
Closing net asset / (liability) recognised in the Balance Sheet	<u>-1957</u>	<u>-1363</u>

d. The principal actuarial assumptions

	Gratuity		Pension	
	31/3/2013	31/3/2012	31/3/2013	31/3/2012
Discount rate	8% p.a.	8% p.a	—	—
Salary escalation rate: Staff	4% p.a.	4% p.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	31/3/2013	31/3/2012	31/3/2010	31/3/2009
Defined Benefit Obligation	1956.98	1362.75	0	0
Plan Assets	0.00	0.00	0	0
Surplus / (Deficit)	<u>-1956.98</u>	<u>-1362.75</u>	<u>0</u>	<u>0</u>

Experience adjustments on plan liabilities Not available *

Experience adjustments on plan assets Not available *

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

NOTE 24 : FINANCE COSTS

	in'000s 2012-13	in'000s 2011-12
Interest	13637.40	13666.01
Bank Charges	1044.14	960.58
	<u>14681.53</u>	<u>14626.59</u>

NOTE 25 : DEPRECIATION & AMORTISATION EXPENSE

	in'000s 2012-13	in'000s 2011-12
Depreciation on tangible assets	5194.03	5557.01
Amortisation on intangible assets	1.56	2.61
	<u>5195.58</u>	<u>5559.62</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 26 : OTHER EXPENSES

	₹ in'000s 2012-13	₹ in'000s 2011-12
Tools and Stores Consumed	1195.57	1206.38
Packing Materials consumed	237.09	239.69
Power and Fuel	2259.30	1767.94
Repairs and Renewals:		
Buildings / Premises	665.95	378.57
Plant and Machinery	385.15	529.71
Other Assets	—	—
Insurance	424.80	250.90
Rent	11529.68	10982.93
Printing and Stationery	831.76	486.71
Travelling & Conveyance	12190.92	10631.48
Postage & Courier Expenses	482.03	279.11
Telephone Expenses	1544.46	1631.02
Legal & Professional Charges	4352.10	3313.75
Auditors' Remuneration:		
As Auditors:		
Audit fee	112.36	89.89
Tax Audit fee	67.42	50.56
Reimbursement of Expenses etc.	—	—
	179.78	140.45
VAT & CST Paid	16265.83	15708.99
Service Tax	194.58	173.11
Bad Debts	84.00	2025.59
Entertainment Expenses	1023.88	668.82
Vehicle Expenses	942.01	894.03
Directors' Sitting Fees	242.64	241.60
Freight and Forwarding (Net)	3748.37	4243.07
Loss on Investments	1671.75	—
Miscellaneous Expenses	2553.55	2522.92
	63005.19	58316.73

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] It is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above pending matters.
- B The Company has exposure to currency fluctuations. It does not hedge its position as the management feels it does not have any material impact as the company is importer as well as exporter of goods and services.
- C Under 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.

		2012-13	2011-12
D Earnings Per Share:			
Profit/(Loss) after taxation and refund of income tax.	(₹ in lacs)	86.37	87.19
Number of Equity Shares (Face Value ₹ 10/-)		5380000	5380000
Earning Per Share in Rupees - Basic & diluted		1.61	1.62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 27 : OTHER ADDITIONAL NOTES / INFORMATION

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 Personnel 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

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 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	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
PURCHASES :								
Goods and Material	—	—	—	—	23903.11	19386.75	—	—
SALES :								
Goods and Material	—	—	—	—	20285.96	73.13	—	—
EXPENSES :								
Rent	360.00	360.00	—	—	—	—	240.00	240.00
Remuneration & Allowances	4860.00	4860.00	2170.39	743.88	—	—	960.00	960.00
Directors' fees	—	—	164.64	163.60	—	—	18.00	18.00
INCOME :								
OUTSTANDINGS :								
Payable	—	81.00	—	113.29	—	—	18.00	72.00
Receivable	—	—	—	—	2713.65	2737.80	—	—
LOANS :								
Payable	4300.00	—	2281.61	2641.30	—	—	—	—
Receivable	—	260.00	—	—	—	—	—	—
Taken	5000.00	900.00	—	—	—	—	—	—
Re-Paid	960.00	640.00	490.55	—	—	—	—	—
ADVANCE AGAINST ORDER								
Payable	—	—	—	—	—	—	—	1887.10
Taken (Net)	—	—	—	—	—	—	—	1887.10
DEPOSITS :								
Given	7500.00	7500.00	—	—	—	—	—	—
Received	—	—	—	—	—	—	10000.00	10000.00
GUARANTEES :								
Given	—	—	—	—	—	—	—	—
Taken	200000.00	200000.00	—	—	100000.00	100000.00	—	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 27 : OTHER ADDITIONAL NOTES / INFORMATION

(₹ in'000s)

Sr. No.	Nature of Transaction	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			
		Milan Khakhar	Prakash Khakhar	M.S. Munde	H.S. Munde	Bharti Padharia	Satish Padharia		Global Instile Solid Industries Ltd.	Milan Marble & Tiles	Vasumati Khakhar	Jeenoo Khakhar
1	Payments to & provision for :											
a)	Director's Remuneration & Allowance	2430.00 (2430.00)	2430.00 (2430.00)	1202.05 (552.47)	803.70 (191.41)	— —	— —	— —	— —	— —	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	— —	— —	— —	— —	82.32 (81.80)	82.32 (81.80)	— —	— —	18.00 (18.00)	— —	— —
2												
a)	Loans Taken	5000.00 —	— (900.00)	— —	— —	— —	— —	— —	— —	— —	— —	— —
b)	Loans refunded	700.00 —	260.00 (640.00)	— —	490.55 —	— —	— —	— —	— —	— —	— —	— —
3	Purchase of Goods	— —	— —	— —	— —	— —	— —	23903.11 (19386.75)	— —	— —	— —	— —
4	Sale of Goods	— —	— —	— —	— —	— —	— —	20285.96 (73.13)	— —	— —	— —	— —
5												
a)	Advance Received against order	— —	— —	— —	— —	— —	— —	— —	— —	— —	— (3000.00)	— —
b)	Advance Refunded	— —	— —	— —	— —	— —	— —	— —	— —	— —	— (1112.90)	— —
6	Deposits Receivable as on 31st March	3750.00 (3750.00)	3750.00 (3750.00)	— —	— —	— —	— —	— —	10000.00 (10000.00)	— —	— —	— —
7	Outstanding Payable as on 31st March	4300.00 (40.50)	— (300.50)	2205.29 (2191.32)	76.31 (563.27)	— —	— —	— —	— (54.00)	18.00 (18.00)	— (1887.10)	— —
8	Outstanding Receivable as on 31st March	— —	— —	— —	— —	— —	— —	2713.65 (2737.80)	— —	— —	— —	— —
9	Outstanding Guarantee taken as on 31st March	100000.00 (100000.00)	100000.00 (100000.00)	— —	— —	— —	— —	100000.00 (100000.00)	— —	— —	— —	— —

(figures in Brackets relate to previous year)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 27 : OTHER ADDITIONAL NOTES / INFORMATION

F Remuneration to Directors		` in '000s	
1) <u>Nature of transactions:</u>			
Remuneration to Directors	31/3/2013	31/3/2012	
Remuneration	6711.99	5543.88	
Perquisites	153.76	60.00	

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

G Segment Information:

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

H Remuneration to Auditors

Particulars		` in '000s	
	31/3/2013	31/3/2012	
As Auditors (inclusive of Service Tax)	112.36	89.89	
Tax Audit Fees (inclusive of Service Tax)	67.42	50.56	
Total	179.78	140.45	

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. 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 ,2013	(` in '0 00s) March 31, 2012
Not Later than One Year	907	906
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 shown in bracket.

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

For ASHAR & CO

Chartered Accountants
(ICAI Regn.No.129159W)

YOGESH ASHAR

PARTNER
(Mem.No.046259)

MUMBAI:

DATED : 27th May, 2013

For and on behalf of the Board**M. B. KHAKHAR**

Chairman & Managing Director

A. Y. PAREKH

Director

SOLID STONE COMPANY LIMITED

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

FORM OF PROXY

Reg. Folio No.

I/We of

..... in the district of

..... being a member of the above named Company hereby appoint

..... of in the district of

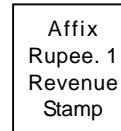
..... or failing him

..... of

in the district of

as my/our proxy to vote for me/us on my/our behalf at the TWENTY THIRD ANNUAL GENERAL MEETING of the Company to be held on 6th September, 2013 and at any adjournment thereof.

Signed this day of 2013



Signature

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

-----Tear from here-----

ATTENDANCE SLIP

Reg. Folio No.

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Twenty Third Annual General Meeting of the Company at Orchid & Tulip, Centre 1, World Trade Centre, 1st Floor, Cuffe Parade, on Friday, 6th September, 2013.

.....
Member's/Proxy/s Name in BLOCK Letters

.....
Member's/Proxy's Signature

Note : Please fill in this attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL

TWENTY THIRD ANNUAL REPORT 2012-2013

BOARD OF DIRECTORS

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

AUDITORS

M/s. Ashar & Co.
Chartered Accountants
Mumbai

BANKERS

State Bank of India

REGISTERED OFFICE

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

WORKS

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

TWENTY THIRD ANNUAL GENERAL MEETING

AT

Orchid & Tulip,
Centre 1, World Trade Centre,
1st Floor, Cuffe Parade, Mumbai-400005

On Friday, 6th September, 2013

At 9:15 A.M.