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NOTICE OF MEETING

NOTICE is hereby given that the Twenty Fourth 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 Monday, 29th September, 2014 at 9.15 am to transact, as may be permissible the following business:

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Statement of Profit and Loss for the year ended on that date, the Reports of the Auditors and Directors thereon.
- 2. To declare Dividend on Equity shares for the year ended 31st March, 2014.
- 3. To appoint a Director in place of Mrs. V. B. Khakhar (holding DIN 00394207) who retires by rotation and being eligible offers herself for re-appointment.
- 4. To re-appoint M/s. Ashar & Co., Chartered Accountants as Statutory Auditors of the company and to fix their remuneration.

SPECIALBUSINESS:

- 5. To appoint Shri Gaurav S. Davda (holding DIN 01372614) (who was appointed as an Additional Director by the Board of Directors and who holds office under Section 161 of the Companies Act,2013, only up to the date of this meeting and in respect of whom, the company has received a notice in writing from a member signifying intention to propose him as a candidate for the Office of Director) as an Independent Director of the Company and to consider and, if thought fit, to pass the following resolution which will be proposed as an **Ordinary Resolution**;
 - "RESOLVED THAT pursuant to the provisions of sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV of the Companies Act, 2013, and subject to all other approvals, as may be required, Shri Gaurav S. Davda be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of this Annual General Meeting till 28th September 2019."
- 6. To appoint Ms. A. Y. Parekh (holding DIN 00763224) as Independent Dierctor and in this regard to consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**;
 - "RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Ms.A.Y.Parekh (holding DIN 00763224), Director of the Company whose period of office is liable to determination by retirement of Director by rotation and in respect of whom the company has received a notice in writing from a member proposing candidature for the office of Director, be and is hereby appointed as an Independent Director of the company to hold office for a term of five consecutive years, from the date of this Annual General Meeting till 28th September 2019."
- 7. To re-appoint Mr. Milan B. Khakhar. (holding DIN 00394065) as Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**
 - "RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Milan B. Khakhar (DIN:00394065) as Managing Director of the company, for a period of 5(five) years with effect from 1st August, 2014 on the terms and conditions including remuneration as set out in the statement annexed to the notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Milan B. Khakhar, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof:
 - RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."
- 8. To re-appoint Mr. Prakash B. Khakhar. (holding DIN 00394135) as Joint Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**
 - "RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with schedule V and all other applicable provisions of the Companies Act,2013 and the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Prakash B. Khakhar (DIN:00394135) as Joint Managing Director of the company, for a period of 5(five) years with effect from 1st August, 2014 on the terms and conditions including remuneration as set out in the statement annexed to the notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Prakash B. Khakhar, subject to the same not exceeding the limits specified under Schedule V to the Companies Act,2013 or any statutory modification(s) or re-enactment thereof:

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. To consider and, if thought fit, to pass the following Resolution which will be proposed as a Special Resolution:

"RESOLVED THAT in supersession of the previous Resolution(s) passed under Section 293(1)(d) of the Companies Act,1956, and pursuant to section 180(1)(c) and any other applicable provisions if any, of the Companies Act,2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and all other enabling provisions, if any, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow such sum or sums of monies in any manner from time to time as may be required for the purpose of businesses of the Company, with or without security and upon such terms and conditions as they may think fit, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up Share Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 200 crores (Rupees Two Hundred Crores) over and above the aggregate of the paid-up Share Capital of the Company and its free reserves"

10. To consider and, if thought fit, to pass the following Resolution which will be proposed as a Special Resolution:

"RESOLVED THAT in supersession of the previous Resolution passed under Section 293(1)(a) of the Companies Act, 1956, pursuant to section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution and that the power to delegate such authority to any person(s)) to create such charges and/ or mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such terms and conditions and at such time or times and in such form and manner and with such ranking as to priority as it may think fit, on any of the Company's moveable and immoveable properties and assets, present and future, comprised in any undertaking or undertakings of the Company, as the case may be, in favour of the Lenders viz. Financial/Investment Institutions, Bank or Banks and Trustees for the holders of debentures/bonds/other instruments to secure repayment of loans/borrowing sanctioned and/or to be sanctioned by them from time to time for a sum not exceeding Rs.200 crores (Rupees Two Hundred Crores) over and above aggregate of the paid-up Share Capital of the Company and its free reserves and apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business as per the approval of the shareholders under section 180(1)(c) of the Companies Act, 2013 and inclusive of interest at the respective agreed rates and all other costs, charges and expenses and all monies payable by the Company in respect of such loans/borrowing as may be stipulated in that behalf and agreed to between the Board of Directors and the Lenders.

RESOLVED FURTHER that Board of Directors of the Company be and is hereby authorized to

- (i) finalise with the Lenders, agreements and other documents, if any, necessary for creating the mortgages(s) and/or charge(s), hypothecation(s) as aforesaid, and to accept any modification(s) to, or modify, alter or vary, the terms and conditions of the aforesaid documents and
- (ii) do all such acts, deeds, matters and things and to execute all such documents, deeds and instruments in writing as may be required, incidental to and/or expedient for giving effect to this resolution and to resolve any question relating thereto, or otherwise considered by the Board of Directors to be in the best interest of the Company."

NOTES:

- A) A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE FOR HIMSELF AND THE PROXY NEED NOT BE A MEMBER. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.
- B) The instrument of proxy in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.
- C) The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2014 to 29th September, 2014 (both days inclusive)
- D) Members intending to require information about accounts to be explained in the meeting are requested to inform the Company in writing at least seven days in advance of the Meeting.
- E) Members are requested to:
 - i) Bring their copies of the Annual Report alongwith duly filled in attendance slip to the Meeting.
 - ii) Notify immediately any change in their address, at the Registered office of the Company, quoting their Folio numbers.
 - iii) Send all their documents and communications pertaining to shares to Sharex (India) Pvt. Ltd. (Share Transfer Agents of the company) at Unit no.1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai-400072, Tel.No. 022 28515606/28515644, Email: investor@sharexindia.com
- F) The Company's shares are available for dematerialisation. Members opting for the same may contact their Depository Participants.
- G) The Explanatory statement pursuant to section 102(1) of the Companies Act, 2013, in respect of item nos.5 to 10 of the Notice set out above, is here to annexed.
- H) Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to Sharex (India) Pvt. Ltd. for their doing the needful.
- (I) Members are requested to notify change in address, if any, immediately to Sharex (India) Pvt. Ltd. quoting their folio numbers.
- (J) In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
- (K) Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 24th Annual General Meeting of the Company. E-voting is optional and the Company is pleased to provide E-voting facility through Central Depository Services (India) Limited (CDSL). The Company has appointed Mr.Kamlesh Gagavani, Chartered Accountant as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

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

- (i) The voting period begins on 22nd September, 2014 (9:30 AM) and ends on 24th September, 2014 (5:30 PM). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 4th September, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.

- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	 Members who have not updated their PAN with the Company/Depository Participant are requested to `use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.
	● In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	 Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

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

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

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user using the admin login and password.
 The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

By Order of the Board of Directors

REGISTERED OFFICE:

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

Place: Mumbai Date: 29th May, 2014 Milan B. Khakhar Chairman & Managing Director

ANNEXURE TO THE NOTICE

Explanatory Statement under section 102(1) of the Companies Act, 2013

Item No. 5

Shri Gaurav S.Davda have been appointed on 29th May, 2014 as an Independent Director of the Company by the Board of Directors of the Company, pursuant to the provisions of Section 161 of the Companies Act, 2013. According to the provisions of the said section, he will hold office only up to the date of this Annual General Meeting. As required under Section 160 of the above Act, a notice has been received from a member signifying intention to propose Shri Gaurav S.Davda a candidate for the office of Director.

Shri Gaurav S.Davda, has more than 9 years of experience in Investment Banking and Corporate Advisory. He has worked across the entire spectrum of Investment Banking products such as M&A, Equity Capital Markets, PE Advisory etc. with reputed Companies. Shri Gaurav S.Davda is an MBA and also holds a degree in Securities Law from Government Law College, Mumbai.

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

It is, therefore, in the Company's interest that it should continue to avail of his services as a member of the Board. Accordingly, the Board recommends the resolution in relation to appointment of Shri Gaurav S.Davda as an Independent Director, for the approval by the shareholders of the Company.

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

Item No. 6

Ms. A. Y. Parekh is a Independent Director of the Company. She joined the Board of Directors of the Company in the year 1997,

∌ in Lakhe

She is a Commerce and Law Graduate from University of Mumbai. She has rich experience of more than 17 years in legal and commercial matters.

Ms. A. Y. Parekh is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Ms. A. Y. Parekh being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years from the date of this meeting till 28th September, 2019. A notice has been received from a member proposing Ms.A.Y.Parekh as a candidate for Director of the Company.

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

It is, therefore, in the Company's interest that it should continue to avail of her services as an independent member of the Board. Accordingly, the Board recommends the resolution in relation to appointment of Ms. A. Y. Parekh as an Independent Director, for the approval by the shareholders of the Company.

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

Item Nos. 7 and 8

The Board of Directors of the Company (the 'Board'), at its meeting held on 29th May, 2014 has, subject to the approval of members, re-appointed Mr. Milan B.Khakhar as Managing Director, for a period of 5 (five) years from the expiry of his present term, which expires on 31st July, 2014, at the remuneration recommended by Nomination and Remuneration Committee (the 'NRC') of the Board and approved by the Board.

Further, the Board at its meeting held on 29th May, 2014 has, subject to the approval of members, re-appointed Mr. Prakash B.Khakhar as Joint Managing Director, for a period of 5 (five) years from the expiry of his present term, which will expire on 31st July, 2014, at the remuneration recommended by the NRC of the Board and approved by the Board.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Milan B.Khakhar as Managing Director and Mr. Prakash B.Khakhar as Joint Managing Director, in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Milan B. Khakhar and Mr. Prakash B. Khakhar are as under:

(a) Salary, Perquisites and Allowances per annum:

Name	Salary	Perquisites & Allowances
Mr. Milan B.Khakhar	36.00	6.00
Mr. Prakash B.Khakhar	36.00	6.00

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/ or allowances for utilisation of gas, electricity, water, furnishing and repairs and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

The Company's contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of computation of the overall ceiling of remuneration.

(b) Reimbursement of Expenses:

Expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

(c) General:

- (i) The Managing Director and the Joint Managing Director will perform their respective duties as such with regard to all work of the Company and they will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Joint Managing Director will be under the overall authority of the Managing Director.
- (ii) The Managing Director and the Joint Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (iii) The Managing Director and the Joint Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.
- (iv) The office of the Managing Director and the Joint Managing Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

Mr. Milan B.Khakhar and Mr. Prakash B.Khakhar satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for their re-appointment. They are not disqualified from being appointed as Directors in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Milan B. Khakhar and Mr. Prakash B.Khakhar under Section 190 of the Act.

Brief resume of Mr. Milan B.Khakhar and Mr. Prakash B.Khakhar, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst directors inter-se as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Mr. Milan B. Khakhar and Mr. Prakash B. Khakhar are interested in the resolutions set out respectively at Item Nos.7 and 8 of the Notice, which pertain to their respective re-appointments and remuneration payable to each of them.

The relatives of Mr. Milan B.Khakhar and Mr. Prakash B.Khakhar may be deemed to be interested in the resolutions set out respectively at Item Nos. 7 and 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 7 and 8 of the Notice for approval by the shareholders.

Item Nos. 9 & 10

The Shareholders had accorded their consent to the Board of Directors by way of an Ordinary Resolution under erstwhile Section 293(1)(d) of the Companies Act, 1956 borrowing in excess of the aggregate of the Company's paid-up capital and free reserves.

Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors of a Company shall not borrow money in excess of the Company's paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the Ordinary course of business, except with the consent of the Company accorded by way of a Special Resolution.

Further, since the Company is expanding and will continue to expand its manufacturing and marketing capacities, there may be need to increase the Company's aggregate borrowings. Hence, the Board of Directors feels that it will be necessary for the Company to raise further moneys from various sources which may exceed the existing borrowing limit as stated above. The consent of the Shareholders is therefore, sought by way of a Special Resolution in accordance with the provisions of Section 180(1)(c) of the Companies Act, 2013 to enable the Board of Directors to borrow monies subject to a limit of Rs.200 crores (Rupees Two Hundred Crores) in addition to the aggregate of the Company's paid-up share capital and its free reserves as mentioned in the resolution. The Resolution under item No.9 of the accompanying Notice is to obtain fresh consent of the shareholders for this purpose. Since the proposed borrowing will be in a phased manner, over a period of time it is expected that even with the proposed increase in borrowings, the debt equity ratio of the Company should be within reasonable limits.

The proposed borrowings of the Company, may, if necessary, have to be secured by way of mortgage/charge on immoveable properties and/or hypothecation of the moveable properties of the Company both present and future, as may be agreed to with the concerned financial/investment institutions, bank or banks or the relevant party concerned.

Since the mortgage and/or charge/hypothecation to be created as aforesaid may attract the provision of Section 180(1)(a) of the Companies Act, 2013, it is deemed advisable to obtain the approval of the members by way of a Special Resolution under the provisions of the above Section of the said Act. The Directors accordingly commend the resolutions in item nos. 9 & 10 of the accompanying notice for the approval of the members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at item Nos. 9 &10.

II. Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting fixed on Monday, the 29th September, 2014 as required under clause 49 of the Listing Agreement with Stock Exchanges are given hereunder:-

Name of Director	Mrs.V.B.Khakhar	Ms.AY.Parekh	Mr.Gaurav S.Davda
Date of appointment	Date of appointment 08.05.1990		29.05.2014
Expertise in specific Functional areas	· · · · · · · · · · · · · · · · · · ·		Investment Banking and Corporate Advisory
List of other Directorships held excluding foreign Companies, Companies under Section 25 of the Companies Act, 1956 and Private Companies	Global Instile Solid Industries Ltd.	Nil	Nil
Chairman/Member Nil of the committees of the Board of other Companies in which he/she is a Director @		Nil	Nil
No. of shares held in the Company	6,82,190	45,951	57,856
Relationship between Directors Interse*	Related to Mr. Milan Khakhar & Mr.Prakash Khakhar	Nil	Nil

[@] Committee positions only of Audit Committee and Shareholders'/Investors' Grievance Committee in Public Companies have been considered.

Under the Companies Act, 2013.

Name of Director	Mr.Milan B.Khakhar	Mr. Prakash B.Khakhar
Date of appointment	08.05.1990	08.05.1990
Expertise in specific Functional areas	Industralist having rich Business experience	Industralist having rich Business experience
List of other Directorships held excluding foreign Companies, Companies under Section 25 of the Companies Act,1956 and Private Companies	Global Instile Solid Industries Ltd. Universal Tiles & Stone Company Ltd.	Global Instile Solid Industries Ltd. Universal Tiles & Stone Company Ltd.
Chairman/Member of the committees of the Board of other Companies in which he/she is a Director @	Nil	Nil
No. of shares held in the Company	8,08,015	13,78,895
Relationship between Directors Interse*	Related to Mrs. Vasumati Khakhar & Mr.Prakash Khakhar	Related to Mrs. Vasumati Khakhar & Mr.Milan Khakhar

[@] Committee positions only of Audit Committee and Shareholders'/Investors' Grievance Committee in Public Companies have been considered.

^{*} Under the Companies Act, 2013.

DIRECTOR'S REPORT

The Members,

Your Directors have pleasure in presenting their Twenty-fourth Annual Report of the Company for the year ended on 31st March, 2014

FINANCIAL RESULTS:

	Year Ended	Year Ended
	31st March, 2014	31st March, 2013
	₹ in '000s	₹ in '000s
Gross Income from Operations	4,99,919	4,51,114
Profit before Depreciation and Tax	24,357	21,102
Profit after Tax	11,857	8,637
Balance brought forward from Previous year	43,460	38,599
Amount available for Appropriation	55,317	47,236
Proposed Dividend	3,228	3,228
Tax on Dividend	549	548
Surplus carried to Balance Sheet	51,540	43,460

DIVIDEND:

Your Directors are pleased to recommend a Dividend of Rs..0.60 per share for the year ended 31st March, 2014 on the Equity Share Capital.(Previous Year . Rs. 0.60 per share), which if approved by the members will involve a payout of Rs.32.28 lacs plus Dividend Distribution Tax of Rs.5.49 lacs

OPERATIONS:

During the year under review the Company made overall improvement in performance, posting a higher gross income as well as Profit before taxes in the 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 2013-14 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:

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

Mr.Gaurav S.Davda has been appointed as Additional Director on 29th May 2014, and holds the office till ensuing Annual General Meeting. It is proposed to appoint him as Non-retiring Independent Director for a period of 5 consecutive years not liable to retire by rotation.

Ms.A.Y.Parekh, Director of the Company is proposed to be appointed as Non-retiring Independent Director for a term of 5 consecutive years not liable to retire by rotation.

Mr.Milan B.Khakhar, Chairman & Managing Director and Mr.Prakash B.Khakhar, Joint Managing Director, have been reappointed by the Board of Directors subject to the approval of Members at the ensuing Annual General Meeting for 5 consecutive years effective from 1st August 2014.

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 141 of the Companies Act 2013, 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	54,810	43,733
Total Cost	₹ 5,35,670	₹ 3,55,190
Rate per unit	₹ 9.77	₹ 8.12

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 For and behalf of the Board

Milan B. Khakhar

DATED : 29th May, 2014 Chairman.

MANAGEMENT DISCUSSION AND ANALYSIS FOR 2013-2014

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 availability of manufactured stone products as an alternative to natural stones is also likely to affect the performance of the company.

Further Outlook

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

Performance for 2013-2014

During the financial year 2013-2014, the company achieved a sales turnover of ₹ 4991.87 lacs as against a Sales Turnover of ₹ 4488.05 lacs in the previous year. Net profit after tax stood at ₹ 118.57 lacs as compared to ₹ 86.37 lacs in the previous year. The gross as well as net income of the company showed marked improvement for the financial year ended 31st March 2014.

Capital Structure

There was no change in the capital structure of the company. The issued and paid up share capital as at 31st March, 2014, 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.

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 2014, the Board met ten times on 27th May, 2013, 17th June, 2013, 24th July, 2013, 13th August, 2013, 4th September, 2013, 6th September, 2013, 11th November, 2013, 28th November, 2013, 5th February, 2014, 11th February, 2014.

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, 2014 and other details are as under:

Name of Director	Category	No of Board Meetings attended during 2013-14	Whether attended last AGM	No.of Directorships in other	No.of Committee positions
				Public Limited Companies	held in other Companies
Mr.Milan B. Khakhar	Executive Promoter	10	Yes	2	_
Mr.Prakash B.Khakhar	Executive Promoter	9	Yes	2	_
Mrs.Vasumati B. Khakhar	Non-Executive Promoter	8	No	1	_
Mr.K.Natrajan	Non-Executive Independent	6	No	_	_
Ms.Ashni Y. Parekh	Non-Executive Independent	9	Yes	_	_
Mr.K.Gopi Nair	Non-Executive Independent	8	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 key management personnel have affirmed the compliance with the code as on 31st March 2014 to the Company.

It is hereby affirmed that all Directors and key 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 key 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 2013-2014
Ms.A.Y.Parekh, Chairperson	Independent Non-Executive	6
Mr.K.Natarajan, Member	Independent Non-Executive	4
Mr.K.Gopi Nair, Member	Independent Non-Executive	5

During the year 2013-14, Six Audit Committee Meetings were held on 6th May, 2013, 27th May, 2013, 13th August, 2013, 3rd September, 2013, 11th November, 2013, 11th February, 2014.

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

The Company Secretary acts as the Secretary of the Committee.

Whistle Blower Policy:

The Board of Directors on the recommendations of the Audit Committee has approved and adopted a Whistle Blower Policy that provides a formal mechanism for all employees of the Company to approach the 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. Nomination & Remuneration Committee (previously known as Remuneration Committee):

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

Meetings of this Committee are held only when required.

One Meeting of this Committee were held during the year 2013-14.

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 2014 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	_	_	_	22,000	22,000
Ms. A. Y. Parekh	_	_	_	22,000	22,000
Mr. K. Gopi Nair	_	_	_	18,000	18,000
				1	

E. Stakeholders' Relationship Committee (Previously known as Shareholders / Investors Grievance Committee):

The company has formed Stakeholders'Relationship Committee (Previously known as 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 Stakeholders Relationship Committee met six times during the year on 26th April, 2013, 20th June, 2013, 28th August, 2013, 22nd October, 2013, 28th November, 2013, 11th February, 2014.

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

Name of Members	Category	Meetings Attended During the year 2013-2014
Ms.A.Y.Parekh (Chair Person)	Independent Non-Executive	6
Mr.Milan B.Khakhar	Promoter Executive	6
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, 2014.

No. of Investors' complaints received during financial year 2013-14: Nil

No. of Complaints pending unresolved as on 31st March, 2014: 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
23 rd	2012-2013	Sep 6, 2013	9.15 a.m.	Orchid & Tulip, Centre-1, 1 st Floor, World Trade Centre, Cuffe Parade, Mumbai-400005.	_
22 nd	2011-2012	Sep 25, 2012	9.15 a.m.	Centrum, Centre-1, 1 st Floor, World Trade Centre, Cuffe Parade, Mumbai-400005.	_
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.	_

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:

- a) 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.
- b) 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 24th AGM of the members of the company is scheduled to be held on 29th September, 2014 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)

Α	Unaudited Results for the first quarter ending on June 30, 2014	By 15 th of August, 2014
В	Unaudited Results for the second quarter ending on September 30, 2014	By 15 th of November, 2014
С	Unaudited Results for the third quarter ending on December 31, 2014	By 15 th of February, 2015
D	Results (Audited) for the financial Year ending March 31, 2015	By 30 th of May, 2015
Е	Annual General Meeting for the year ending March 31, 2015	By end of September, 2015

c) Details of book closures:

From 23rd September, 2014 to 29th September, 2014 (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 4th October, 2014, to the shareholders whose names appear on Register of Members as on 23rd September, 2014.

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 2014-2015 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 2013-2014 are as under:

Month	· · · · · · · · · · · · · · · · · · ·	Quotation at Mumbai Stock Exchange		
	High	Low		
April, 2013	29.20	27.05		
May, 2013	32.75	29.75		
June, 2013	37.85	31.00		
July, 2013	32.55	32.50		
August, 2013	35.70	34.00		
September, 2013	37.45	34.10		
October, 2013	33.50	25.10		
November, 2013	27.35	25.70		
December, 2013	27.00	26.95		
January, 2014	27.50	25.50		
February, 2014	31.25	27.05		
March, 2014	30.00	20.50		

(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.

Tel.: No: 022-28515606 / 28515644

h) Share Transfer System

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

i) Statistics of Shareholders as on 31st March, 2014

Shares held	No.of	% of	No.of	% of
	Shareholders	Shareholders	Shares held	Shares held
1-500	766	81.40	94,195	1.75
501 - 1000	49	5.21	40,818	0.76
1001 - 2000	34	3.61	52,857	0.98
2001 - 3000	6	0.64	14,569	0.27
3001 - 4000	8	0.85	30,299	0.56
4001 - 5000	10	1.06	46,198	0.86
5001 - 10000	16	1.70	1,21,987	2.27
10001 and above	52	5.53	49,79,077	92.55
Total	941	100.00	53,80,000	100.00

j) Shareholding Patterns as on March 31, 2014:

Categories	No of Shares	% of shareholding
Promoters	36,96,400	68.706
Individuals	11,65,100	21.656
Domestic Cos.	5,18,500	9.638
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. 97.13 % of the Company's Share Capital is dematerialized as on 31st March, 2014.

I) The Company has not issued any GDRs/ADRs. No Bonds were outstanding as on 31st March, 2014.

m) Address for correspondence:

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

n) ROC - Company Identity Number (CIN):

U26960MH1990PLC056449

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

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

Nomination & Remuneration Committee:

The company has constituted Nomination & 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.

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, 2014, 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: 29th MAY, 2014

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, 2014, 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 2014;
- 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;
 - 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 2014 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, 2014 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 29, 2014

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, 2014).

- 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 ₹ 2,12,15,000/- and ₹ 1,38,70,000/- 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. However there is no formal Internal Audit being done by the company. 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 ₹ 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 2014, 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, 2014 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, the following dues have not been deposited by the Company on account of disputes

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

- x) The Company has neither accumulated losses at the end of the financial year nor has it incurred cash losses both in the current financial year and 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.
- 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 29th, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

	Note	AS AT March 31, 2014 (₹ In '000s)	AS AT March 31, 2013 (₹ In '000s)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	53800.00	53800.00
Reserves & Surplus	4	108845.36	100765.12
		162645.36	154565.12
Non-Current Liabilities	_		
Long-Term Borrowings	5	8696.16	544.23
Long-Term Provisions	6	2158.90	1765.96
		10855.06	2310.19
Current Liabilities Short-Term Borrowings	7	112753.45	101349.48
Trade Payables	8	28940.04	28392.47
Other Current Liabilities	9	87227.94	85904.54
Short-Term Provisions	6	7460.60	6863.58
		236382.03	222510.08
TOTAL		409882.45	379385.39
100570			
ASSETS			
Non-Current Assets	40		
Fixed Assets	10	25706.00	22445 44
Tangible Assets		25796.99	22445.41
Intangible Assets		1.40 	2.34
		25798.39	22447.75
Deferred Tax Asset	11	3135.03	2767.75
Non-Current Investments	12	11072.51	11059.51
Long-Term Loans & Advances	13	0.00	0.00
Other Non-Current Assets	14	21533.32	23273.76
		61539.27	59548.77
Current Assets			
Inventories	15	225776.32	182274.69
Trade Receivables	16	57417.62	48051.25
Cash & Bank Balances	17	5134.18	5406.76
Short-Term Loans & Advances	13	59415.29	83486.39
Other Current Assets	14	599.79	617.53
		348343.19	319836.61
TOTAL		409882.45	379385.39
Significant Accounting Policies	2		
The Notes are an integral part of these f	inancial 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

V.B. KHAKHAR
Director

MUMBAI:

DATED: 29th May, 2014

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note	2013-14	2012-13
		(₹ In '000s)	(₹ In '000s)
INCOME			
Revenue from operations (Gross)	18	499186.98	448805.38
Less:- Excise Duty		0.00	0.00
Revenue from operations (Net)		499186.98	448805.38
Other income	19	731.68	2308.71
Total Revenue		499918.65	451114.09
EXPENSES			
Cost of materials consumed	20	4078.66	3373.52
Purchases of Stock in Trade	21	426137.06	340981.60
Changes in Inventory	22	-44168.39	-10943.24
Employee benefits expense	23	22888.65	21924.18
Finance costs	24	12752.49	14613.37
Depreciation & Amortisation expense	25	5772.25	5062.80
Other expenses	26	53873.17	60062.63
Total Expenses		481333.89	435074.88
PROFIT/(LOSS) BEFORE TAX		18584.77	16039.21
Tax Expense:			
Current tax		6825.00	6600.00
Deferred tax		-367.28	-444.13
Short/(Excess) Provision of Tax written	Off /(back)	270.21	1245.91
		6727.93	7401.78
PROFIT/(LOSS) FOR THE YEAR		11856.84	8637.43
Earnings per equity share:	27 (D)		
Basic & diluted		2.20	1.61

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 & ${\bf CO}$

Chartered Accountants (ICAI Regn.No.129159W) For and on behalf of the Board

YOGESH ASHAR PARTNER M.B. KHAKHAR

V.B. KHAKHAR

(Mem.No.046259)

Chairman & Managing Director

Director

MUMBAI:

DATED: 29th May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

		2013-14 (₹ In '000s)		2012-13 (₹ In '000s)	
A.	CASH FLOW FROM OPERATING ACTIVITIES:				_
	NET PROFIT / (LOSS) BEFORE TAX		18584.77		16039.21
	Adjustment for :				
	Depreciation	5772.25		5062.80	
	Preliminary Expenses written off	9.44		9.44	
	Interest Paid	11475.63		13637.40	
	Interest & Dividend Income	-175.87		-117.82	
	Loss / (Gain) on fixed assets sold/discarded (Net)	-22.64		-302.13	
	Loss / (Gain) on Investments sold/discarded (Net)	0.00	17058.82	1671.75	19961.43
	OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANG Decrease / (increase) in Trade Receivables, Short/Long Terr		35643.58		36000.64
	Loans & Advances, Other Non-Current / Current Assets	16453.47		-1607.21	
	Decrease / (increase) in Inventories	-43501.63		-12219.69	
	Increase / (decrease) in Trade Payable, Long Term /				
	Current Liabilities & Long / Short Term Provisions.	-1354.76	-28402.92	-3479.67	-17306.57
	CASH GENERATED FROM OPERATIONS		7240.66		18694.07
	Direct Taxes paid		-6521.68		-6195.07
B.	NET CASH FROM OPERATING ACTIVITIES CASH FLOW FROM INVESTING ACTIVITIES		718.98		12499.00
	Purchase of Tangible / Intangible Assets, Capital Work in				
	Progress & Capital Advances	-9172.37		-509.19	
	Increase in Investments	-13.00			
	Proceeds from sale of Fixed Assets	72.11		1511.11	
	Interest & Dividend income	175.87		117.82	
C.	NET CASH USED IN INVESTING ACTIVITIES CASH FLOW FROM FINANCING ACTIVITIES		-8937.39		1119.74
	(Repayments) / proceeds from Borrowings (Net)	11403.98		5203.51	
	Proceeds from Term Loan	11763.78		-978.33	
	Interest paid	-11475.63		-13637.40	
	Dividend and Corporate Dividend Tax	-3746.29		-3668.82	
	NET CASH FROM FINANCING ACTIVITIES		7945.83		-13081.04
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVAL	ENTS	-272.58		537.71
	CASH AND CASH EQUIVALENTS AS AT 31.3.2013		5406.76		4869.05
	CASH AND CASH EQUIVALENTS AS AT 31.3.2014		5134.18		5406.76

As per our attached Report of even date

For ASHAR & CO Chartered Accountants (ICAI Regn.No.129159W) For and on behalf of the Board

YOGESH ASHAR PARTNER

M.B. KHAKHAR
Chairman & Managing Director

V.B. KHAKHAR
Director

(Mem.No.046259)

MUMBAI:

DATED: 29th May, 2014

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, 2014.

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 in 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.

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 a lower of cost or net realisable value
- (ii) Cost of Finished Goods and Stock in Process is determined by considering materials, labour and other related direct expenses.

Customs Duty and Excise Duty

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

Retirement & other employee benefits

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

The Company's liability towards Gratuity, Pension to certain catagories 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 assests 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 certainity 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 certainity supported by convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realised.

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

Segment Reporting Policies

Identification of Segments:

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

Provisions and Contingent Liabilities

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

NOTE 3: SHARE CAPITAL

AS AT March 31, 2014 (₹ In '000s)	AS AT March 31, 2013 (₹ In '000s)
75000.00	75000.00
75000.00	75000.00
53800.00	53800.00
53800.00	53800.00
	(₹ In '000s) 75000.00 75000.00 53800.00

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

		As at		As at
	M	arch 31, 2014	M	larch 31, 2013
Particulars	Nos.	₹ In '000	Nos.	₹ In '000
Equity shares at the beginning of the period	5380000	53800.00	5380000	53800.00
Issued during the period	_	_	_	_
Equity shares at the end of the period	5380000	53800.00	5380000	53800.00

(a) Rights, preferences and restrictions attached to shares

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

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

Name of Shareholder	No. of Shares held	March 31, 2014 % to Total Shareholders	No. of Shares held	March 31, 2013 % to Total Shareholders
Prakash Bhagwandas Khakhar Milan Bhagwandas Khakhar Jeenoo Milan Khakhar Vasumati Bhagwandas Khakhar	1378895 808015 699300 682190	25.63 15.02 13.00 12.68	1378895 808015 699300 682190	25.63 15.02 13.00 12.68
NOTE 4: RESERVES AND SURPLUS				
	March	n 31. 2014	Marc	h 31. 2013

	March 31, 2014 (₹ In '000s)		March 31, 2013 (₹ In '000s)	
Capital Subsidy As per last Account		954.90		954.90
Capital Reserve As per last Account		3450.00		3450.00
Securities Premium Reserve As per last Account		52400.00		52400.00
General Reserve As per last Account Add: Transfer from Statement of Profit & Loss	500.00 0.00		500.00 0.00	
		500.00		500.00
Surplus in the statement of profit and loss Balance as per last financial statement Profit / loss for the year	43460.22 11856.84		38599.39 8637.43	
Less:- Appropriations Proposed Dividend Corporate Tax on Dividend Transfer to General Reserve	3228.00 548.60 0.00		3228.00 548.60 0.00	
Closing Balance		51540.46		43460.22
		108845.36		100765.12

NOTE 5: LONG-TERM BORROWINGS

		Non Current ₹ in '000s		nt Maturities in '000s
	March 31,	March 31,	March 31,	March 31,
	2014	2013	2014	2013
Secured Term Loans:				
From a Bank			261.60	
Foreign Currency Loan from a Bank	_	_	201.00	_
Vehicle Loans: (Refer Note (a) below)	3298.60	544.23	1242.31	494.51
Unsecured				
Loans from Banks and NBFC	5397.56		2602.44	
Amounts disclosed under the head				
'Other Current Liabilities' (Note 11)	_	_	-4106.36	-494.51
	8696.16	544.23		
		=====		
a. Term Loan				
Vehicle loan is secured by a specific charge below :-	on respective vehicle	e purchased. Det	ails of each loan	taken are stated
Name of the Bank/NBFC	No. of	Date of	Rate of	Instalment
Traine of the Barmy (B)	Instalments	Maturity	Interest	Amount (₹)
Axis Bank Limited	36	1-Mar-15	9.62%	47750
Axis Bank Limited	36	1-Jul-16	10.25%	19266
Daimler Financial Services India P. Ltd	36	14-Jun-16	12.11%	59500
Volkwagen Finance Private Limited	60	20-Jan-19	9.49%	13541
b. Unsecured Loan				
Kotak Mahindra bank Ltd.	36	5-Apr-17	18.50%	182019
Tata Capital Financial Services P.Ltd.	24	15-Apr-16	18.00%	149772
NOTE 6: PROVISIONS				
	Long-	Term	Short-7	erm
	₹ in ˈ		₹ in '0	00s
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Provision for employee benefits				
Gratuity	2158.90	1765.96	179.86	191.02
Tax (Net of advance Tax paid)	0.00	0.00	3504.15	2895.96
Proposed Dividend	0.00	0.00	3228.00	3228.00
Corporate Tax on Dividend	0.00	0.00	548.60	548.60
	2158.90	1765.96	7460.60	6863.58
			====	
NOTE 7: SHORT-TERM BORROWINGS				
		₹ in '000s		₹ in '000s
		March 31, 2014		March 31, 2013
Secured				
Working Capital Facilities from Banks		98883.45		97049.48
Unsecured				
Loans from Directors and Related Parties		13870.00		4300.00

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).

112753.45

101349.48

NOTE 8: TRA	DE PAYABLES
-------------	-------------

	₹ in '000s March 31, 2014	₹ in '000s March 31, 2013
Trade Payables (Refer Note 27 (C))	28940.04	28392.47
	28940.04	28392.47
NOTE 9: OTHER CURRENT LIABILITIES		
	₹ in '000s March 31, 2014	₹ in '000s March 31, 2013
Current maturities of long term borrowings (Note 5) Advance from Customers Statutory dues:	4106.36 74903.09	494.51 76723.08
Service Tax Withholding Taxes Others - VAT and Central Sales Tax	319.14 528.11 1106.52	428.94 389.75 3894.89
Other payables: Liabilities for expenses Unclaimed Dividend	5814.98 449.75	3553.93 419.44
	87227.94	85904.54

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

NOTE 10: FIXED ASSETS

									₹i	in '000s
	GROSS BLOCK DEPRECIATION				NET	вьоск				
Nature of Fixed Assets	Cost/Value as at 1/4/2013	ADDITIONS	Deductions/ Adjustments	Cost/Value as at 31/3/2014	UPTO 31/3/2013	Provided during the year	Deductions/ Adjustments	UPTO 31/3/2014	AS AT 31/3/2014	AS AT 31/3/2013
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	90.26	0.00	4515.38	2848.52	162.16	0.00	3010.68	1504.70	1576.60
Plant & Machinery	7898.98	308.50	0.00	8207.48	5754.70	322.30	0.00	6077.00	2130.48	2144.28
Furniture & Fixtures	29407.29	0.00	0.00	29407.29	17605.22	2136.17	0.00	19741.39	9665.90	11802.07
Computer	1806.19	602.60	0.00	2408.79	1500.65	286.80	0.00	1787.45	621.35	305.55
Office Equipment	5222.43	158.59	0.00	5381.02	2979.47	328.80	0.00	3308.27	2072.75	2242.95
Vehicles	12510.48	6092.49	454.72	18148.25	8277.57	2161.62	405.25	10033.94	8114.32	4232.92
Speed Boat	0.00	1919.92	0.00	1919.92	0.00	373.46	0.00	373.46	1546.46	0.00
Total Tangible Assets	61411.53	9172.37	454.72	70129.18	38966.12	5771.32	405.25	44332.19	25796.99	22445.41
Previous year	64063.76	509.19	3161.42	61411.53	35857.33	5061.24	1952.45	38966.12	22445.41	28206.44
Intangible Assets										
Computer Software	37.44	0.00	0.00	37.44	35.10	0.94	0.00	36.04	1.40	2.34
Total Intangible Assets	37.44	0.00	0.00	37.44	35.10	0.94	0.00	36.04	1.40	2.34
Previous year	37.44	0.00	0.00	37.44	33.54	1.56	0.00	35.10	2.34	3.62
Grand Total							·		25798.39	22447.75

NOTE 11 : DEFERRED TAX ASSET (NET):

	₹ in '000s March 31, 2014	₹ in '000s March 31, 2013
The breakup of Deferred Tax Asset:		
Arising on account of timing difference in:		
- Depreciation	2376.22	2132.81
- Accrued Expenses allowable on Actual Payments	758.81	634.94
Deferred Tax Asset (Net)	3135.03	2767.75

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 NOTE 12: NON-CURRENT INVESTMENTS

		₹ in '000s March 31, 2014		₹ in '000s March 31, 2013
Trade - Unquoted - Fully Paid 20000 Equity shares of GBP 1/- each of Granite: Trade - Unquoted - Fully Paid	xx UK Limited.	1609.51		1609.51
520 Equity Shares of ₹ 25/- each Shreeji Bhatia Non Trade - Unquoted - Fully Paid	Co-operative Bank	13.00		
270000 Equity shares of ₹10/- each of Global Instile So	lid Industries Limited	9450.00		9450.00
		11072.51		11059.51
NOTE 13: LOANS & ADVANCES	-			
	Long	erm 00s March 31, 2013	Short ₹ in '0 March 31, 2014	000s
Unsecured, Considered Good				
Loan to Employees	_	_	212.00	349.40
Advances Recoverable in cash or in kind	_	_	34266.53	63326.62
Advance to Suppliers	_	_	21566.20	17963.85
Other loans and advances:				4040.50
Balances with Custom and Excise authorities	_	_	3370.56	1846.52
Advance payment of Income Tax / Tax Deducted (after adjusting provision)	at Source —		0.00	0.00
(4.12.23)		_	59415.29	83486.39
NOTE 44 OTHER ACCETS				
NOTE 14: OTHER ASSETS	Non-Cu	ırrant	Curr	ont
	₹ in '0	00s	₹ in '(March 31, 2014	000s
Unsecured, Considered Good Interest accrued on fixed Deposits Prepaid Expenses Deposits Non-current Bank Balances (Note 17) Others - Miscelleneous Expenditure to the extent not written off or adjusted	0.00 0.00 21514.44 0.00 18.88 21533.32	0.00 0.00 23245.44 0.00 28.32 23273.76	32.81 122.80 434.75 0.00 9.44 599.79	21.90 151.44 434.75 0.00 9.44
NOTE 15: INVENTORIES				
		₹ in '000s March 31, 2014		₹ in '000s March 31, 2013
At lower of cost and net realisable value Raw materials Stock-in-process Finished goods Tools and Stores		2696.02 0.00 223061.45 18.85		3371.27 0.00 178893.06 10.36 182274.69
NOTE 16: TRADE RECEIVABLES				
		₹ in '000s March 31, 2014		₹ in '000s March 31, 2013
Unsecured, Considered Good Overdue for a period exceeding six months Others		33106.61 24311.00		33733.93 14317.31
		57417.62		48051.25

NOTE 17: CASH & BANK BALANCES	NI		0	
	₹in	current '000s	Curr ₹ in '(000s
	I, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Cash & Cash equivalents: Balances with banks;				
In Current Accounts Cash on hand	0.00 0.00	0.00 0.00	604.15 1497.92	800.95 2103.78
	0.00	0.00	2102.07	2904.74
Other Bank Balances;	0.00	0.00	0.00	219.84
In Deposit Accounts (more than 12 months maturity) In Deposit Accounts (more than 3 months but less than 12 months maturity)	0.00	0.00	2582.35	1862.74
In unclaimed Dividénd Account	0.00	0.00	449.75	419.44
<u> </u>	0.00	0.00	3032.11	2502.02
Amounts disclosed under 'Non Current Assets' (Note 15)	0.00	0.00	0.00	0.00
<u> </u>	0.00	0.00	5134.18	5406.76
NOTE 18: REVENUE FROM OPERATIONS				
		₹ in '000s 2013-14		₹ in '000s 2012-13
Sales:		2010 14		2012 10
GoodsServices including labour chargesOther Operating Revenues		493995.18 5191.80 0.00		421638.30 11823.48 15343.60
		499186.98		448805.38
NOTE 19: OTHER INCOME				-
		₹ in '000s March 31, 2014		₹ in '000s March 31, 2013
Interest: On Fixed Deposits with Bank		175.87		117.82
Unspent Liabilities/Sundry balances written back (net)		502.25		842.39
Bad Debts written off in Previous Year now recovered		0.00		343.76
Net gain on Foreign Currency transactions Profit on Sale of Fixed Assets		0.00 22.64		272.43 302.13
Miscellaneous Receipts		30.91		430.18
		731.68		2308.71
NOTE 20: COST OF MATERIALS CONSUMED				
		₹ in '000s March 31, 2014		₹ in '000s March 31, 2013
Cost of Materials Consumed Opening Stock		3371.27		2083.13
Add: Purchases		3403.41		4661.67
Less: Closing Stock		6774.68 2696.02		6744.79 3371.27
		4078.66		3373.52
Details of Raw Materials consumed				
Granite		1063.34		1190.57
Slate Semi Precious		921.49 2093.84		734.70 1448.26
		4078.66		3373.52

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 NOTE 21: PURCHASES OF STOCK IN TRADE

		N	₹ in '000s ⁄larch 31, 2014		₹ in '000s March 31, 2013
Purchases of Stock in Trade					
Granite			528.16		3047.40
Marble			416505.91		319197.23
Mosaics			2712.89		4516.48
Sealants			23.44		0.00
Semi Precious Slate			47.43 3965.25		887.57 4598.37
Wood			2353.97		8733.62
Other Misc.Items			0.00		0.94
Total			426137.06		340981.60
TE 22 : CHANGES IN INVENTORY O	F FINISHED GO	ODS			
			₹ in '000s		₹ in '000s
		N	March 31, 2014	IV.	/larch 31, 2013
Closing Stock: Finished Goods - Manufactured			2587.12		2739.53
Finished Goods - Traded			220474.33		176153.53
Less: Opening Stock:			223061.45		178893.06
Finished Goods - Manufactured			2739.53		3783.20
Finished Goods - Traded			176153.53		164166.62
Differential Excise Duty on Openir	ng and Closing	stock of Finished G	178893.06 oods 0.00		167949.82 0.00
			-44168.39		-10943.24
			-44100.39		-10943.24
tails of Inventory					
Class of Goods		Manufactu	rad Caada	Traded G	₹ in '000s
Class of Goods	Sales	Opening Stock	Closing Stock	Opening Stock	Closing Stock
Granite	5550.78	737.03	394.62	3135.68	2674.52
Marble	469212.76	_	_	169259.25	213521.41
Mosaics	5574.21	_	_	267.69	584.74
Sealants	46.67	_	_	1212.57	1228.34
Semi Precious	3257.86	2002.50	2192.50	1980.42	1980.42
Slate	7435.08			297.94	484.90
Wood	2917.82	_	_	_	_
TOTAL	493995.18	2739.53	2587.12	176153.53	220474.33
TE 00 - EMPL OVEE DENEETO EVEN					
TE 23 : EMPLOYEE BENEFITS EXP	ENSE				
			₹ in '000s		₹ in '000s
			2013-14		2012-13
Salaries, Wages, Bonus, and Allo			22382.05		21157.34
Company's Contribution to Provide		d	204 72		F04.00
Other Funds (Refer Note (a) below Welfare Expenses	v)		381.78 124.82		594.23 172.61
1 -			22888.65		21924.18

Employee Benefits

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

(i) Defined benefit plans:	Gratuity* Unfunded		Pens Unfu	
	31/3/2014	31/3/2013	31/3/2014	31/3/2013
Service Cost	319.71	324.15	0.00	0.00
Interest Cost	156.56	109.02	0.00	0.00
Expected return on plan assets	0.00	0.00	0.00	0.00
Net Actuarial (Gain) / Loss	-94.49	161.06	0.00	0.00
Net Cost	381.78	594.23	0.00	0.00
* included in "contribution to Provident, Gratuity & Ot # included in "Salaries, Wages, Bonus & Allowances				
 b. Amount recognised in the Balance Sheet Present value of defined benefit obligation 	2338.76	1956.98	0.00	0.00
Fair value of plan assets	0.00	0.00	0.00	0.00
Net asset / (liability) as at 31st March, 14 recognised in the Balance Sheet	-2338.76	-1956.98	0.00	0.00
c. Balance Sheet reconciliation				
Opening net asset / (liability)	-1956.98	-1362.75		
Expenses as above	-381.78	-594.23		
Employers contribution Closing net asset / (liability) recognised	0.00	0.00		
in the Balance Sheet	-2338.76	-1956.98		
	Grat	uitv	Pen	sion
d. The principal actuarial assumptions	31/3/2014	31/3/2013	31/3/2014	31/3/2013
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	<u>31/3/2014</u>	31/3/2013	31/3/2014	31/3/2013
Defined Benefit Obligation Plan Assets	2338.76 0.00	1956.98 0.00	0.00 0.00	0.00
Surplus / (Deficit)	-2338.76	-1956.98	0.00	0.00
Experience adjustments on plan liabilities Experience adjustments on plan assets	Not available * 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 2013-14	₹ in '000s 2012-13
Interest	11475.63	13637.40
Bank Charges	1276.85	975.97
	12752.49	14613.37

NOTE 25: DEPRECIATION & AMORTISATION EXPENSE

	₹ in '000s 2013-14	₹ in '000s 2012-13
Depreciation on tangible assets Amortisation on intangible assets	5771.32 0.94	5061.24 1.56
	5772.25	5062.80
NOTE 26 : OTHER EXPENSES		
	₹ in '000s 2013-14	₹ in '000s 2012-13
Tools and Stores Consumed Packing Materials consumed Power and Fuel	1056.45 125.33 2351.42	1195.57 237.09 2143.48
Repairs and Renewals: Buildings / Premises Plant and Machinery Other Assets Insurance Rent Printing and Stationery Travelling & Conveyance Postage & Courier Expenses Telephone Expenses Legal & Professional Charges Auditors' Remuneration:	165.64 495.71 29.50 507.37 10634.91 426.68 9998.70 193.86 1322.15 3867.19	665.95 382.10 0.00 315.97 10438.27 413.08 12173.23 462.77 1393.65 3789.76
As Auditors: Audit fee Tax Audit fee Reimbursement of Expenses etc.	112.36 67.42 0.00	112.36 67.42 0.00
VAT & CST Paid Service Tax Bad Debts Entertainment Expenses Vehicle Expenses Directors' Sitting Fees Freight and Forwarding (Net) Net Loss on Foreign Currency transactions Loss on Investments Miscellaneous Expenses	179.78 15247.80 16.75 131.03 599.02 730.78 80.00 2135.83 407.82 0.00 3169.47	179.78 16265.83 194.58 77.41 1002.31 769.63 78.00 3748.37 0.00 1671.75 2464.06
	53873.17	60062.63

NOTE 27: OTHER ADDITIONAL NOTES/INFORMATION

A Contingent Liability not provided for:

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

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

NOTE 27: OTHER ADDITIONAL NOTES/INFORMATION

			₹ in '000s 2013-14	₹ in '000s 2012-13
D	Earnings Per Share: Profit/(Loss) after taxation and refund of income tax.	(₹ in lacs)	118.57	86.37
	Number of Equity Shares (Face Value ₹10/-) Earning Per Share in Rupees - Basic & diluted	,	5380000 2.20	5380000 1.61

- **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					RELAT	ΓED	PARTIES (f in'000s)
	Key Man Personn	agement el	Subsic		Assoc Conce	ern	Relatives of Key Ma personnel and Ente owned and signification influenced by Key Management person their relatives	erprise antly
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
PURCHASES:								
Goods and Material	_	_	_	_	37874.46	23903.11	_	-
SALES:								
Goods and Material	_	_	295.33	1437.82	3235.90	20285.96	_	-
EXPENSES:								
Rent	360.00	360.00	_	_	_	_	240.00	240.00
Remuneration & Allowances Directors' fees	4860.00	4860.00	_	_	_	_	960.00 18.00	960.00 18.00
INCOME:		_					10.00	16.00
OUTSTANDINGS:								
Payable	162.00	_	_	_	_	_	90.00	18.00
Receivable	_	_	3334.22	2998.25	5103.42	2713.65	_	
LOANS:								
Payable	13870.00	4300.00	_	_	_	_	_	
Receivable	–	_	_	_	_	_	_	-
Taken	25500.00	5000.00	_	_	_	_	_	-
Re-Paid	15930.00	700.00	_	_	_	_	_	-
DEPOSITS:								
Given	7500.00	7500.00	_	_	_	_	10000.00	10000.00
GUARANTEES: Given								
	220000 00	2000000	_	_	445000.00	100000 00	_	
Taken	230000.00	200000.00	_		115000.00	100000.00	_	

NOTE 27: OTHER ADDITIONAL NOTES / INFORMATION

Sr. No		Nature of Transaction	Key Man Personne	agement el	Subs	sidiaries	Associate Concern	and E influer	ves of Key M nterprise ow nced by Key I ir relatives	lanagement ned and sigi	nificantly
			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	Shraddha Khakhar
1	a)	Payments to & provision for : 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	18700.00 (5000.00)	6800.00		_		=			_
	b)	Loans refunded	14065.00 (700.00)	1865.00 (260.00)							
3		Purchase of Goods					37874.46 (23903.11)				
4		Sale of Goods				295.33 (1437.82)	3235.90 (20285.96)				
5		Deposits Receivable as on 31st March	3750.00 (3750.00)	3750.00 (3750.00)				10000.00		=	
6		Outstanding Payable as on 31st March	81.00 —	81.00	=	_		54.00	36.00 (18.00)	=	=
7		Outstanding Receivable as on 31st March		=	856.18 (705.88)	2478.03 (2292.37)	5103.42 (2713.65)	_			
8		Outstanding Guarantee taken as on 31st March	115000.00 (100000.00)	115000.00 (100000.00)	=	=	115000.00 (100000.00)		=	=	=

(figures in Brackets relate to previous year)

F Remuneration to Directors

₹ in '000s 2013-14	₹ in '000s 2012-13

1) Nature of transactions:

Remuneration to Directors

 Remuneration
 4800.00
 4800.00

 Perquisites
 60.00
 60.00

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

G Segment Information:

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

H Remuneration to Auditors

	₹ in '000s 2013-14	₹ in '000s 2012-13
As Auditors (inclusive of Service Tax) Tax Audit Fees (inclusive of Service Tax)	112.36 67.42	112.36 67.42
Total	179.78	179.78

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

		201	3-14	201	12-13
	1. Raw Materials	<u>₹ in '000s</u>	% to Total	<u>₹ in '000s</u>	% to Total
	Indigenous	4079	100	3374	100
	Imported	_	_	_	_
		4079	100	3374	100
	2. Stores & Consumables				
	Indigenous Imported	1056 —	100 —	1196 —	100
		1056	100	1196	100
			2013-14		<u>2012-13</u>
J	Value of Imports on CIF Basis:		₹ in '000s		₹ in '000s
	1. Finished Products		79991.69		74819.56
K	Expenditure in Foreign Currency (on cash basis): 1. Travelling 2. Trading Goods Imports		5192.35 79991.69		5752.36 74819.56
			79991.09		74019.30
L	Earnings in Foreign Currency - 1. Export of goods on F.O.B. basis (incl. Deemed E 2. Others	Export)	146.85 3549.67		2665.12 8164.66

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:

operating Lease:

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

Particulars	₹ in '000s 31/3/2014	₹ in '000s 31/3/2013
Not Later than One Year	757	936
Later than One year and not later than five year	NIL	NIL
Later than Five year	NIL	NIL

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

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

For ASHAR & CO Chartered Accountants (ICAI Regn.No.129159W) For and on behalf of the Board

YOGESH ASHAR PARTNER (Mem.No.046259) MUMBAI:

DATED: 29th May, 2014

M.B.KHAKHAR Chairman & Managing Director V.B. KHAKHAR Director

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	31/03/2014	31/03/2014
Number of Equity Shares in the subsidiary held by the Company directly or through its subsidiary companies on March 31, 2014	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, 2014 (b) for previous financial years of the subsidiary since	Nil	Nil
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, 2014(b) for previous financial years of the subsidiary since	(£ 7,564)	(£ 10,726)
it became subsidiary of Solid Stone Company Limited.	£ 19,952	(£ 23,181)

(Figures in brackets denote Losses)

MUMBAI: 29th May, 2014

For and on behalf of the Board

M. B. KHAKHAR

Chairman & Managing Director

Director

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of Solid Stone Company Limited

We have audited the accompanying Consolidated Financial Statments 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, 2014 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, 2014, 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 ₹ 2.73 Lacs and total Gross Revenue of ₹ 40.64 lacs and Net Loss of ₹ 23.18 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 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, 2014;
- (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 : 29th MAY, 2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

	Note	AS AT 31ST MARCH,2014 (₹ in '000s)	AS AT 31ST MARCH,2013 (₹ in '000s)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	53800.00	53800.00
Reserves & Surplus	4	104147.53	99100.94
		157947.53	152900.94
Non-Current Liabilities	_		
Long-Term Borrowings	5	8696.16	544.23
Long-Term Provisions	6	2158.90	1765.96
6		10855.06	2310.19
Current Liabilities Short-Term Borrowings	7	115924.48	103631.08
Trade Payables	8	29857.23	29029.22
Other Current Liabilities	9	87591.89	86290.59
Short-Term Provisions	6	7463.00	6863.58
		240836.61	225814.47
TOTAL		409639.20	381025.60
ASSETS Non-Current Assets Fixed Assets Tangible Assets Intangible Assets	10	26436.48 1.40	23216.99 2.34
		26437.88	23219.33
Deferred Tax Asset	11	3135.03	2767.75
Non-Current Investments	12	9463.00	9450.00
Long-Term Loans & Advances	13	0.00	0.00
Other Non-Current Assets	14	21533.32	23273.76
2		60569.24	58710.85
Current Assets Inventories	15	228376.40	184796.18
Trade Receivables	16	54144.91	45346.63
Cash & Bank Balances	17	6198.47	7892.35
Short-Term Loans & Advances	13	59425.58	83486.39
Other Current Assets	14	924.60	793.20
		349069.96	322314.76
TOTAL		409639.20	381025.60
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

For and on behalf of the Board

(ICAI Regn.No.129159W)
YOGESH ASHAR

PARTNER (Mem.No.046259) MUMBAI:

DATED: 29th May, 2014

M.B.KHAKHAR
Chairman & Managing Director

V.B. KHAKHAR Director

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note	2013-14 (₹ in '000s)	2012-13 (₹ in '000s)
INCOME			
Revenue from operations (Gross)	18	502614.24	462321.87
Less:- Excise Duty		0.00	0.00
Revenue from operations (Net)		502614.24	462321.87
Other income	19	731.68	2322.38
Total Revenue		503345.92	464644.25
EXPENSES			
Cost of materials consumed	20	4078.66	3373.52
Purchases of Stock in Trade	21	428363.54	348624.91
Changes in Inventory	22	-44246.99	-10730.51
Employee benefits expense	23	24046.71	23929.93
Finance costs	24	12796.62	14681.53
Depreciation & Amortisation expense	25	5904.36	5195.58
Other expenses	26	56110.50	63005.19
Total Expenses		487053.40	448080.17
PROFIT/(LOSS) BEFORE TAX		16292.52	16564.07
Tax Expense:			
Current tax		6825.00	6600.00
Deferred tax		-367.28	-444.13
Short/(Excess) Provision of Tax written Off /(ba	ack)	270.21	1245.91
		6727.93	7401.78
Add/(Less) : Share of Profit/(Loss) of Minority	Interest	_	_
PROFIT/(LOSS) FOR THE YEAR		9564.60	9162.30
Earnings per equity share:	27 (D)		
Basic & diluted		1.78	1.70
Significant Accounting Policies	2		

The Notes are an integral part of these financial statements

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

For ASHAR & CO Chartered Accountants (ICAI Regn.No.129159W) For and on behalf of the Board

YOGESH ASHAR PARTNER (Mem.No.046259) MUMBAI:

DATED: 29th May, 2014

M.B.KHAKHAR
Chairman & Managing Director

V. B. KHAKHAR Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

		2013	-14	2012	-13
		(₹ in '000s)	(₹ in '000s)	(₹ in '000s)	(₹ in '000s)
A.	CASH FLOW FROM OPERATING ACTIVITIES: NET PROFIT / (LOSS) BEFORE TAX Adjustment for:		16292.52		16564.07
	Depreciation	5904.36		5195.58	
	Preliminary Expenses written off	9.44		9.44	
	Interest Paid Interest & Dividend Income	11475.63 -175.87		13637.40 -117.82	
	Loss / (Gain) on fixed assets sold/discarded (Net)	-22.64		-302.13	
	Loss / (Gain) on Investments sold/discarded (Net)	0.00	17190.92	1671.75	20094.22
	OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		33483.44		36658.29
	Decrease / (increase) in Trade Receivables, Short / Long Term Loans & Advances,	17021.57		-2873.21	
	Other Non-Current / Current Assets				
	Decrease / (increase) in Inventories	-43580.23		-12006.96	
	Increase / (decrease) in Trade Payable, Long Term / Current Liabilities & Long / Short Term Provisions.	-1074.32	-27632.98	-4966.10	-19846.27
	CASH GENERATED FROM OPERATIONS		5850.46		16812.02
	Direct Taxes paid		-6487.09		-6385.51
	NET CASH FROM OPERATING ACTIVITIES		-636.64		10426.51
B.	CASH FLOW FROM INVESTING ACTIVITIES Purchase of Tangible / Intangible Assets, Capital Wo			505.00	
	in Progress & Capital Advances Increase in Investments	-9172.37 -13.00		-585.99 —	
	Proceeds from sale of Fixed Assets	72.11		1511.11	
	Interest & Dividend income	175.87		117.82	
	NET CASH USED IN INVESTING ACTIVITIES		-8937.39		1042.94
C.	CASH FLOW FROM FINANCING ACTIVITIES				
	(Repayments) / proceeds from Borrowings (Net)	12293.40		4730.53	
	Proceeds from Term Loan	11763.78		-978.33	
	Minority Interest Foreign Translation Reserve	0.00 -955.11		400.82 -24.77	
	Interest paid	-11475.63		-13637.40	
	Dividend and Corporate Dividend Tax	-3746.29		-3668.82	
	NET CASH FROM FINANCING ACTIVITIES		7880.15		-13177.98
	NET INCREASE/(DECREASE) IN CASH AND				
	CASH EQUIVALENTS CASH AND CASH EQUIVALENTS AS AT 31.3.2013		-1693.88 7892.35		-1708.53
	CASH AND CASH EQUIVALENTS AS AT 31.3.2013 CASH AND CASH EQUIVALENTS AS AT 31.3.2014		7892.35 6198.47		9600.89 7892.35
	CACAMAND CACAMANDAN CANADAN CA		0130.71		1002.00

As per our attached 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) MUMBAI:

DATED: 29th May, 2014

M.B.KHAKHAR
Chairman & Managing Director

V.B. KHAKHAR *Director*

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, 2014.

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 in 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 ICAL

Subsidiaries:

The excess of cost to the parent company of its investment in the subsidaries 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 subsidaries 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 subsidaries 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, 2014
1.	Granitexx UK Limited	United Kingdom	100%
2.	Stone Source GB Limited	United Kingdom	51% Equity held by Granitexx UK Ltd (100% subsidiary)

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

Forward Exchange Contracts

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

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

Inventory

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

Customs Duty and Excise Duty

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

Retirement & other employee benefits

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

The Company's liability towards Gratuity, Pension to certain catagories 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 assests 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 certainity 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 certainity supported by convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realised.

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

Segment Reporting Policies

Identification of Segments:

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

Provisions and Contingent Liabilities

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

NOTE 3: SHARE CAPITAL

NOTE 3: SHARE CAPITAL				
		Mai	As at rch 31, 2014 (₹ in '000s)	As at March 31, 2013 (₹ in '000s)
Authorised 75,00,000 Equity Shares of ₹ 10/- each			75000.00	75000.00
			75000.00	75000.00
Issued, Subscribed and Fully Paid-up				
53,80,000 Equity Shares of ₹ 10/- each			53800.00	53800.00
			53800.00	53800.00
Reconciliation of the shares outstanding	at the beginning and at the en	d of the reporting	period	
Particulars	Nos	As at March 31, 2014		As at March 31, 2013 ₹ In '000
Equity shares at the beginning of the placed during the period			5380000	
Equity shares at the end of the period	538000	0 53800.00	5380000	53800.00
vote per share held. The dividend pro the ensuing Annual General Meeting, ex are eligible to receive the remaining as their shareholding. (b) Shareholders holding more than 5 per	cept in case of interim dividend. sets of the Company after distri	In the event of liqui oution of all prefere	dation, the equential amounts	ity shareholders in proportion to
Name of Shareholder	No. o Shares hel		No. of	
Prakash Bhagwandas Khakhar Milan Bhagwandas Khakhar Jeenoo Milan Khakhar Vasumati Bhagwandas Khakhar	137889 80801 69930 68219	5 15.02 0 13.00	808015	15.02 13.00
NOTE 4: RESERVES AND SURPLUS	002.0		002100	12.00
		As at 31, 2014 in '000s)	March 3 (₹ ir	As at 1, 2013 (000s)
Capital Subsidy As per last Account		954.90		954.90
Capital Reserve As per last Account		3450.00		3450.00
Securities Premium Reserve As per last Account		52400.00		52400.00
General Reserve As per last Account Add: Transfer from Statement of Profit	500.0 & Loss 0.0		500.00 0.00	
Cumulus in the statement of muchit and	500.0	0		500.00
Surplus in the statement of profit and Balance as per last financial statemen Profit / loss for the year Less:- Appropriations	t 41796.0 9564.6		38104.45 9162.30	
Proposed Dividend Corporate Tax on Dividend Foreign Translation reserve Transfer to General Reserve	3228.0 551.0 739.0 0.0	0 0	3228.00 548.60 1694.11 0.00	
Closing Balance		46842.63		41796.04
		404447.50		

104147.53

99100.94

NOTE 5: LONG-TERM BORROWINGS

	Non-current ₹ in'000s		Current ma ₹ in'00	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Secured				
Term Loans:				
From a Bank	0.00	0.00	261.60	0.00
Foreign Currency Loan from a Bank	0.00	0.00	0.00	0.00
Vehicle Loans: (Refer Note (a) below)	3298.60	544.23	1242.31	494.51
Unsecured				
Loans from Banks and NBFC	5397.56		2602.44	
Amounts disclosed under the head 'Other Current				
Liabilities' (Note 11)	0.00	0.00	-4106.36	-494.51
	8696.16	544.23	0.00	0.00

a. Term Loan

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

	Name of the Bank/NBFC	No. of Instalments	Date of Maturity	Rate of Interest	Instalment Amount (₹)
	Axis Bank Limited	36	1-Mar-15	9.62	47750
	Axis Bank Limited	36	1-Jul-16	10.25%	19266
	Daimler Financial Services India P. Ltd	36	14-Jun-16	12.11%	59500
b.	Volkwagen Finance Private Limited Unsecured Loan	60	20-Jan-19	9.49%	13541
	Kotak Mahindra bank Ltd. Tata Capital Financial Services P.Ltd.	36 24	5-Apr-17 15-Apr-16	18.50% 18.00%	182019 149772

NOTE 6: PROVISIONS

	Long-Term ₹ in'000s		Short-Term ₹ in'000s	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Provision for employee benefits				
Gratuity	2158.90	1765.96	179.86	191.02
Tax (Net of advance Tax paid)	0.00	0.00	3504.15	2895.96
Proposed Dividend	0.00	0.00	3228.00	3228.00
Corporate Tax on Dividend	0.00	0.00	551.00	548.60
	2158.90	1765.96	7463.00	6863.58

NOTE 7: SHORT-TERM BORROWINGS

	₹ in'000s March 31, 2014	₹ in'000s March 31, 2013
Secured	Widi Cii 31, 2014	Walcii 31, 2013
Working Capital Facilities from Banks	98883.45	97049.48
Unsecured Loans from Directors and Related Parties	17041.03	6581.61
	115924.48	103631.08

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	₹ in'000s
	March 31, 2014	March 31, 2013
Trade Payables (Refer Note 27(C))	29857.23	29029.22
	29857.23	29029.22
NOTE 9: OTHER CURRENT LIABILITIES	<u></u>	
	₹ in'000s	₹ in'000s
	March 31, 2014	March 31, 2013
Current maturities of long term borrowings (Note 5)	4106.36	494.51
Advance from Customers	74903.09	76723.08
Statutory dues :		
Service Tax	319.14	428.94
Withholding Taxes	528.11	389.75
Others - VAT and Central Sales Tax	1106.52	3898.51
Other payables:		
Liabilities for expenses	6178.93	3936.35
Unclaimed Dividend	449.75	419.44
	87591.89	86290.59

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

NOTE 10: FIX	ED ASSE	TS						₹ in'0	00s	
		G	ROSS B	LOCK		DEPRE	CIATION		NET	вьоск
Nature of Fixed Assets	Cost/Value as at 1/4/2013	Additions	Deductions/ Adjustments	Cost/Value as at 31/3/2014	Upto 31/3/2013	Provided during the year	Deductions/ Adjustments	Upto 31/3/2014	As at 31/3/2014	As at 31/3/2013
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	90.26	0.00	4515.38	2848.52	162.16	0.00	3010.68	1504.70	1576.60
Plant & Machinery	9838.60	308.50	0.00	10147.10	6946.70	452.61	0.00	7399.31	2747.79	2891.90
Furniture & Fixtures	29407.29	0.00	0.00	29407.29	17605.22	2136.17	0.00	19741.39	9665.90	11802.07
Computer	1806.19	602.60	0.00	2408.79	1500.65	286.80	0.00	1787.45	621.35	305.55
Office Equipment	5247.78	158.59	0.00	5406.38	2980.86	330.60	0.00	3311.46	2094.92	2266.92
Vehicles	12510.48	6092.49	454.72	18148.25	8277.57	2161.62	405.25	10033.94	8114.32	4232.92
Speed Boat	0.00	1919.92	0.00	1919.92	0.00	373.46	0.00	373.46	1546.46	0.00
Total Tangible Assets	63376.51	9172.37	454.72	72094.16	40159.52	5903.42	405.25	45657.68	26436.48	23216.99
Previous year	65951.94	585.99	3161.42	63376.51	36917.94	5194.03	1952.45	40159.52	23216.99	29034.00
Intangible Assets										
Computer Software	37.44	0.00	0.00	37.44	35.10	0.94	0.00	36.04	1.40	2.34
Total Intangible Assets	37.44	0.00	0.00	37.44	35.10	0.94	0.00	36.04	1.40	2.34
Previous year	37.44	0.00	0.00	37.44	33.54	1.56	0.00	35.10	2.34	3.90
Grand Total									26437.88	23219.33

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 NOTE 11 : DEFERRED TAX ASSET (NET):

		₹ in'000s		₹ in'000s
	Ma	arch 31, 2014	Ma	arch 31, 2013
The breakup of Deferred Tax Asset: Arising on account of timing difference in:		2460.74		2422.04
DepreciationAccrued Expenses allowable on Actual Payments		2168.74 758.81		2132.81 634.94
Deferred Tax Asset (Net)		2927.55		2767.75
Note 12: NON-CURRENT INVESTMENTS				
	Ma	₹ in'000s arch 31, 2014	Ma	in'000s arch 31, 2013
Trade - Unquoted - Fully Paid 520 Equity Shares of ₹ 25/- each Shreeji Bhatia Co-opel Non Trade - Unquoted - Fully Paid 270000 Equity shares of ₹10/- each of Global Instile	rative Bank	13.00		0.00
Solid Industries Limited		9450.00		9450.00
		9463.00		9450.00
NOTE 13: LOANS & ADVANCES	l ang T		Short	Torm
	Long T ₹ in'00	00s	₹ in'	000s
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Unsecured, Considered Good Loan to Employees Advances Recoverable in cash or in kind Advance to Suppliers	0.00 0.00 0.00	0.00 0.00 0.00	212.00 34266.53 21566.20	349.40 63326.62 17963.85
Other loans and advances: Balances with Custom and Excise authorities Advance payment of Income Tax / Tax Deducted at	0.00	0.00	3380.85	1846.52
Source (after adjusting provision)	0.00	0.00	0.00	0.00
	0.00	0.00	59425.58	83486.39
NOTE 14: OTHER ASSETS				
	Non-curr ₹ in'000		Curre ₹ in'00	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Unsecured, Considered Good Interest accrued on fixed Deposits Prepaid Expenses Deposits Non-current Bank Balances (Note 17) Others - Miscelleneous Expenditure to the extent	0.00 0.00 21514.44 0.00	0.00 0.00 23245.44 0.00	32.81 447.61 434.75 0.00	21.90 327.12 434.75 0.00
not written off or adjusted	18.88	28.32	9.44	9.44
	21533.32	23273.76	924.60	793.20
NOTE 15: INVENTORIES				
	Ma	₹ in'000s arch 31, 2014	Ma	₹ in'000s arch 31, 2013
At lower of cost and net realisable value Raw materials Stock-in-process Finished goods Tools and Stores		2696.02 0.00 225661.54 18.85		3371.27 0.00 181414.55 10.36
		228376.40		184796.18

NOTE 16: TRADE RECEIVABLES

	Ma	₹ in'000s arch 31, 2014	₹ in'000s March 31, 2013	
Unsecured, Considered Good Overdue for a period exceeding six months Others		29833.90 24311.00		33095.53 12251.09
		54144.91		45346.63
NOTE 17: CASH & BANK BALANCES				
	Non-cı	urrent	Cu	rrent
	₹ in'00		₹ in'(
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Cash & Cash equivalents:				
Balances with banks;				
In Current Accounts	0.00	0.00	859.47	2619.59
Cash on hand	0.00	0.00	2306.90	2770.74
	0.00	0.00	3166.37	5390.33
Others Beatly Belginser				
Other Bank Balances; In Deposit Accounts (more than 12 months maturity) In Deposit Accounts (more than 3 months but less than	0.00	0.00	0.00	219.84
12 months maturity) In unclaimed Dividend Account	0.00 0.00	0.00 0.00	2582.35 449.75	1862.74 419.44
	0.00	0.00	3032.11	2502.02
Amounts disclosed under 'Non Current Assets' (Note 15)	_	_	_	
			6198.47	7892.35
NOTE 18: REVENUE FROM OPERATIONS				
		₹ in'000s 2013-14		₹ in'000s 2012-13
Sales:				
- Goods		497422.44		434507.42
 Services including labour charges Other Operating Revenues 		5191.80 0.00		12470.85 15343.60
		502614.24		462321.87
NOTE 40 - OTHER INCOME				
NOTE 19 : OTHER INCOME		₹ in'000s		₹ in'000s
		2013-14		2012-13
Interest:				
On Fixed Deposits with Bank		175.87		117.82
Unspent Liabilities/Sundry balances written back (net)		502.25		842.39
Bad Debts written off in Previous Year now recovered		0.00		343.76
Net gain on Foreign Currency transactions		0.00		286.09
Profit on Sale of Fixed Assets		22.64		302.13
Miscellaneous Receipts		30.91		430.18
		731.68		2322.38

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 NOTE 20 : COST OF MATERIALS CONSUMED

			₹ in'000s 2013-14		₹ in'000s 2012-13
Coat of Materials Consumed			2013-14		2012-13
Cost of Materials Consumed			2274.07		2002.42
Opening Stock			3371.27		2083.13
Add: Purchases			3403.41		4661.67
			0774.00		0744.70
			6774.68		6744.79
Less: Closing Stock			2696.02		3371.27
			4070.00		
			4078.66		3373.52
Details of Days Materials assessment					
Details of Raw Materials consumed			1063.34		1190.57
Granite					
Slate Semi Precious			921.49 2093.84		734.70
Semi Precious			2093.64		1448.26
			4078.66		3373.52
			4070.00		3373.32
NOTE 21: PURCHASES OF STOCK IN TRAD	<u>E</u>				
			₹ in'000s		₹ in'000s
			2013-14		2012-13
Purchases of Stock in Trade					
Granite Granite			528.16		10690.71
Marble			416505.91		319197.23
Mosaics			2712.89		4516.48
Sealants			27 12.09		0.00
Semi Precious			47.43		887.57
Slate			6191.73		4598.37
Wood			2353.97		8733.62
Other Misc.Items			0.00		0.94
Other Misc.Rems			0.00		0.94
Total			428363.54		348624.91
NOTE 22: CHANGES IN INVENTORY OF FINE	SHED GOODS				
			₹ in'000s		₹ in'000s
			₹ in'000s 2013-14		₹ in'000s 2012-13
Closing Stock:					
Finished Goods - Manufactured			2013-14		2739.53
			2013-14		2012-13
Finished Goods - Manufactured			2013-14 2587.12 223074.42		2739.53 178675.02
Finished Goods - Manufactured Finished Goods - Traded			2013-14		2012-13
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock:			2587.12 223074.42 225661.54		2739.53 178675.02 181414.55
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured			2587.12 223074.42 225661.54 2739.53		2739.53 178675.02 181414.55 3783.20
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock:			2587.12 223074.42 225661.54		2739.53 178675.02 181414.55
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured			2587.12 223074.42 225661.54 2739.53 178675.02		2739.53 178675.02 181414.55 3783.20 166900.84
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured Finished Goods - Traded			2587.12 223074.42 225661.54 2739.53 178675.02 181414.55		2739.53 178675.02 181414.55 3783.20 166900.84 170684.04
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured		Finished Goods	2587.12 223074.42 225661.54 2739.53 178675.02		2739.53 178675.02 181414.55 3783.20 166900.84
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured Finished Goods - Traded		Finished Goods	2587.12 223074.42 225661.54 2739.53 178675.02 181414.55 0.00		2739.53 178675.02 181414.55 3783.20 166900.84 170684.04 0.00
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured Finished Goods - Traded		Finished Goods	2587.12 223074.42 225661.54 2739.53 178675.02 181414.55		2739.53 178675.02 181414.55 3783.20 166900.84 170684.04
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured Finished Goods - Traded Differential Excise Duty on Opening and		Finished Goods	2587.12 223074.42 225661.54 2739.53 178675.02 181414.55 0.00		2739.53 178675.02 181414.55 3783.20 166900.84 170684.04 0.00
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured Finished Goods - Traded		Finished Goods	2587.12 223074.42 225661.54 2739.53 178675.02 181414.55 0.00		2739.53 178675.02 181414.55 3783.20 166900.84 170684.04 0.00 -10730.51
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured Finished Goods - Traded Differential Excise Duty on Opening and			2587.12 223074.42 225661.54 2739.53 178675.02 181414.55 0.00 -44246.99		2739.53 178675.02 181414.55 3783.20 166900.84 170684.04 0.00 -10730.51
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured Finished Goods - Traded Differential Excise Duty on Opening and	d Closing stock of	Manufactur	2587.12 223074.42 225661.54 2739.53 178675.02 181414.55 0.00 -44246.99	Traded	2739.53 178675.02 181414.55 3783.20 166900.84 170684.04 0.00 -10730.51 ₹ in'000s Goods
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured Finished Goods - Traded Differential Excise Duty on Opening and		Manufactur Opening	2587.12 223074.42 225661.54 2739.53 178675.02 181414.55 0.00 -44246.99	Opening	2739.53 178675.02 181414.55 3783.20 166900.84 170684.04 0.00 -10730.51 ₹ in'000s Goods Closing
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured Finished Goods - Traded Differential Excise Duty on Opening and Details of Inventory Class of Goods	d Closing stock of Sales	Manufactur Opening Stock	2587.12 223074.42 225661.54 2739.53 178675.02 181414.55 0.00 -44246.99 ed Goods Closing Stock	Opening Stock	2739.53 178675.02 181414.55 3783.20 166900.84 170684.04 0.00 -10730.51 ₹ in'000s Goods Closing Stock
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured Finished Goods - Traded Differential Excise Duty on Opening and Details of Inventory Class of Goods Granite	d Closing stock of Sales 6341.09	Manufactur Opening	2587.12 223074.42 225661.54 2739.53 178675.02 181414.55 0.00 -44246.99	Opening Stock 3863.37	2739.53 178675.02 181414.55 3783.20 166900.84 170684.04 0.00 -10730.51 ₹ in'000s Goods Closing Stock 3206.06
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured Finished Goods - Traded Differential Excise Duty on Opening and Details of Inventory Class of Goods Granite Marble	Sales 6341.09 469212.76	Manufactur Opening Stock	2587.12 223074.42 225661.54 2739.53 178675.02 181414.55 0.00 -44246.99 ed Goods Closing Stock	Opening Stock 3863.37 169576.99	2739.53 178675.02 181414.55 3783.20 166900.84 170684.04 0.00 -10730.51 ₹ in'000s Goods Closing Stock 3206.06 213906.81
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured Finished Goods - Traded Differential Excise Duty on Opening and Details of Inventory Class of Goods Granite Marble Mosaics	Sales 6341.09 469212.76 5870.49	Manufactur Opening Stock	2587.12 223074.42 225661.54 2739.53 178675.02 181414.55 0.00 -44246.99 ed Goods Closing Stock	Opening Stock 3863.37 169576.99 509.00	2739.53 178675.02 181414.55 3783.20 166900.84 170684.04 0.00 -10730.51 ₹ in'000s Goods Closing Stock 3206.06 213906.81 877.43
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured Finished Goods - Traded Differential Excise Duty on Opening and Details of Inventory Class of Goods Granite Marble Mosaics Sealants	Sales 6341.09 469212.76 5870.49 46.67	Manufactur Opening Stock 737.03 — —	2587.12 223074.42 225661.54 2739.53 178675.02 181414.55 0.00 -44246.99 ed Goods Closing Stock 394.62	Opening Stock 3863.37 169576.99 509.00 1212.57	2739.53 178675.02 181414.55 3783.20 166900.84 170684.04 0.00 -10730.51 ₹ in'000s Goods Closing Stock 3206.06 213906.06 213906.81 877.43 1228.34
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured Finished Goods - Traded Differential Excise Duty on Opening and Details of Inventory Class of Goods Granite Marble Mosaics Sealants Semi Precious	Sales 6341.09 469212.76 5870.49 46.67 3586.87	Manufactur Opening Stock	2587.12 223074.42 225661.54 2739.53 178675.02 181414.55 0.00 -44246.99 ed Goods Closing Stock	Opening Stock 3863.37 169576.99 509.00 1212.57 2932.39	2739.53 178675.02 181414.55 3783.20 166900.84 170684.04 0.00 -10730.51 ₹ in'000s Goods Closing Stock 3206.06 213906.06 213906.34 1228.34 3084.76
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured Finished Goods - Traded Differential Excise Duty on Opening and Details of Inventory Class of Goods Granite Marble Mosaics Sealants Semi Precious Slate	Sales 6341.09 469212.76 5870.49 46.67 3586.87 9446.75	Manufactur Opening Stock 737.03 — —	2587.12 223074.42 225661.54 2739.53 178675.02 181414.55 0.00 -44246.99 ed Goods Closing Stock 394.62	Opening Stock 3863.37 169576.99 509.00 1212.57	2739.53 178675.02 181414.55 3783.20 166900.84 170684.04 0.00 -10730.51 ₹ in'000s Goods Closing Stock 3206.06 213906.06 213906.81 877.43 1228.34
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured Finished Goods - Traded Differential Excise Duty on Opening and Details of Inventory Class of Goods Granite Marble Mosaics Sealants Semi Precious	Sales 6341.09 469212.76 5870.49 46.67 3586.87	Manufactur Opening Stock 737.03 — —	2587.12 223074.42 225661.54 2739.53 178675.02 181414.55 0.00 -44246.99 ed Goods Closing Stock 394.62	Opening Stock 3863.37 169576.99 509.00 1212.57 2932.39	2739.53 178675.02 181414.55 3783.20 166900.84 170684.04 0.00 -10730.51 ₹ in'000s Goods Closing Stock 3206.06 213906.06 213906.34 1228.34 3084.76
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured Finished Goods - Traded Differential Excise Duty on Opening and Details of Inventory Class of Goods Granite Marble Mosaics Sealants Semi Precious Slate Wood	Sales 6341.09 469212.76 5870.49 46.67 3586.87 9446.75 2917.82	Manufactur Opening Stock 737.03 — — — 2002.50 —	2587.12 223074.42 223074.42 225661.54 2739.53 178675.02 181414.55 0.00 -44246.99 ed Goods Closing Stock 394.62 2192.50	Opening Stock 3863.37 169576.99 509.00 1212.57 2932.39 580.72	2739.53 178675.02 181414.55 3783.20 166900.84 170684.04 0.00 -10730.51 ₹ in'000s Goods Closing Stock 3206.06 213906.81 877.43 1228.34 1228.34 771.01
Finished Goods - Manufactured Finished Goods - Traded Less: Opening Stock: Finished Goods - Manufactured Finished Goods - Traded Differential Excise Duty on Opening and Details of Inventory Class of Goods Granite Marble Mosaics Sealants Semi Precious Slate	Sales 6341.09 469212.76 5870.49 46.67 3586.87 9446.75	Manufactur Opening Stock 737.03 — —	2587.12 223074.42 225661.54 2739.53 178675.02 181414.55 0.00 -44246.99 ed Goods Closing Stock 394.62	Opening Stock 3863.37 169576.99 509.00 1212.57 2932.39	2739.53 178675.02 181414.55 3783.20 166900.84 170684.04 0.00 -10730.51 ₹ in'000s Goods Closing Stock 3206.06 213906.81 877.43 1228.34 3084.76

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 **NOTE 23: EMPLOYEE BENEFITS EXPENSE**

	₹ in'000s 2013-14	₹ in'000s 2012-13
Salaries, Wages, Bonus, and Allowances Company's Contribution to Provident, Gratuity and	23500.27	23069.32
Other Funds (Refer Note (a) below) Welfare Expenses	421.62 124.82	688.00 172.61
	24046.71	23929.93

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

(i) Defined benefit plans:		uity* nded	Pension# Unfunded		
	<u>31/3/2014</u>	31/3/2013	31/3/2014	31/3/2013	
Service Cost Interest Cost Expected return on plan assets Net Actuarial (Gain) / Loss	319.71 156.56 0.00 -94.49	324.15 109.02 0.00 161.06	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	
Net Cost	381.78	594.23	0.00	0.00	

^{*} 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

٧.	7 mount 1000gmood in the Balance Choos				(₹ in'000s)
		Gratuity* Unfunded		Pension# Unfunded	
		31/3/2014	31/3/2013	<u>31/3/2014</u>	31/3/2013
	Present value of defined benefit obligation	2338.76	1956.98	0.00	0.00
	Fair value of plan assets Net asset / (liability) as at 31st March, 14 recognised	0.00	0.00	0.00	0.00
	in the Balance Sheet	-2338.76	-1956.98	0.00	0.00
C.	Balance Sheet reconciliation Opening net asset / (liability) Expenses as above Employers contribution	-1956.98 -381.78 0.00	-1362.75 -594.23 0.00		
	Closing net asset / (liability) recognised in the Balance Sheet	-2338.76	-1956.98		
d.	The principal actuarial assumptions				
			ntuity	Pen	
		<u>31/3/2014</u>	<u>31/3/2013</u>	<u>31/3/2014</u>	<u>31/3/2013</u>
	Discount rate Salary escalation rate:	8% p.a.	8% p.a	N.A.	N.A.
	Staff	4% p.a.	4% p.a	N.A.	N.A.
	The estimates of future salary increases considered in ac			nflation, senior	ty, promotion

and other relevant factors such as supply and demand in the employment market.

Amounts for the current and previous periods are as follows:

Announte for the current and providue periode are	ao ionomo.			
Gratuity	<u>31/3/2014</u>	31/3/2013	31/3/2014	31/3/2013
Defined Benefit Obligation	2338.76	1956.98	0.00	0.00
Plan Assets	0.00	0.00	0.00	0.00
Surplus / (Deficit)	-2338.76	-1956.98	0.00	0.00
Experience adjustments on plan liabilities	Not available *			
Experience adjustments on plan assets	Not available *			

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

	IO		24		CIN	Α.	NCE	2	CTC	
ı	VU I	ᇉ	24	:	FIIN	А	NCE	LU	313	•

NOTE 24 : FINANCE COSTS		
	₹ in'000s 2013-14	₹ in'000s 2012-13
Interest	11475.63	13637.40
Bank Charges	1320.99	1044.14
	12796.62	14681.53
NOTE 25: DEPRECIATION & AMORTISATION EXPENSE		
	₹ in'000s	₹ in'000s
	2013-14	2012-13
Depreciation on tangible assets	5903.42	5194.03
Amortisation on intangible assets	0.94	1.56
	5904.36	5195.58
NOTE 26 : OTHER EXPENSES		
	₹ in'000s	₹ in'000s
	2013-14	2012-13
Tools and Stores Consumed	1056.45	1195.57
Packing Materials consumed	125.33	237.09
Power and Fuel	2417.23	2259.30
Repairs and Renewals:	405.04	205.05
Buildings / Premises	165.64 495.71	665.95
Plant and Machinery Other Assets	495.71 50.47	382.10 3.05
Insurance	644.96	424.80
Rent	11419.63	11529.68
Printing and Stationery	458.13	831.76
Travelling & Conveyance	10000.40	12190.92
Postage & Courier Expenses	193.86	482.03
Telephone Expenses	1438.88	1544.46
Legal & Professional Charges	4302.54	4352.10
Auditors' Remuneration:		
As Auditors:		
Audit fee	112.36	112.36
Tax Audit fee	67.42	67.42
Reimbursement of Expenses etc.	0.00	0.00
	179.78	179.78
VAT & CST Paid	15247.80	16265.83
Service Tax	16.75	194.58
Bad Debts	298.17	84.00
Entertainment Expenses	654.94	1023.88
Vehicle Expenses	901.72	942.01
Directors' Sitting Fees	279.70	242.64
Freight and Forwarding (Net)	2135.83	3748.37
Net Loss on Foreign Currency transactions Loss on Investments	408.22	0.00 1671.75
Miscellaneous Expenses	0.00 3218.40	2553.55
		63005.19
	=====	

NOTE 27: OTHER ADDITIONAL NOTES/INFORMATION

A Contingent Liability not provided for:

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

- Income Tax ₹ 1.19 lacs (Prev.Yr. ₹ 1.19 lacs) [Appeal filed with the Income Tax Appellate Tribunal, Mumbai for Assessment Year 2009-10]
- b. Income Tax ₹1.84 lacs (Prev.Yr. ₹ Nil) [Appeal filed with the C.I.T.(Appeals), Mumbai for Assessment Year 2011-12]

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 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.

2013-14 2012-13

D Earnings Per Share:

Profit/(Loss) after taxation and refund of income tax.	(₹ in lacs)	95.65	91.62
Number of Equity Shares (Face Value ₹ 10/-)		5380000	5380000
Earning Per Share in Rupees - Basic & diluted		1.78	1.70

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 Personel of Subsidiaries :

Mr. M S. Munde

Mr. H S. Munde

Ms. Bharti Padharia

Mr. Satish Padharia

(c) Associate Concern:

Global Instile Solid Industries Ltd.

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

M.Stones

Milan Marble & Tiles

Vasumati B. Khakhar

Jeenoo Khakhar

Shraddha Khakhar

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

2) Transactions carried out with Related parties referred to in1 above, in ordinary course of business:

NATURE OF TRANSACTION	IS	RELATE	D PART	IES				(₹ in'000s)
		nagement nel of Holding ny	Key Ma Personi Subsidi			ociate cern	and Enter and signif influence	nent personnel prise owned icantly d by Key nent personnel
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
PURCHASES : Goods and Material	_	_	_	_	37874.46	23903.11	_	_
SALES : Goods and Material	_	_	_	_	3235.90	20285.96	_	_
EXPENSES:								
Rent	360.00	360.00	_	_	_	_	240.00	240.00
Remuneration & Allowances	4860.00	4860.00	1118.22	2005.75	_	_	960.00	960.00
Directors' fees	_	_	199.70	164.64	_	_	18.00	18.00
INCOME :	_	_	_	_	_	_	_	_
OUTSTANDINGS:								
Payable	162.00	_	_	_	_	_	631.86	464.73
Receivable	_	_	_	_	5103.42	2713.65	_	_
LOANS:								
Payable	13870.00	4300.00	3250.31	2281.61	_	_	_	_
Receivable	_	_	78.48	_	_	_	_	_
Taken	25500.00	5000.00	574.64	_	_	_	_	_
Re-Paid	15930.00	960.00	92.56	490.55	_	_	_	_
Given	_	_	78.48	_	_	_	_	_
DEPOSITS:								
Given	7500.00	7500.00	_	_	_	_	10000.00	10000.00
Received	_	_	_	_	_	_	_	_
GUARANTEES :								
Given Taken	230000.00	200000.00	_	_	— 115000.00	100000.00	_	_
Iangil	230000.00	200000.00	_	_	113000.00	100000.00	_	_

SOLID STONE COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

NOTE 27: OTHER ADDITIONAL NOTES/INFORMATION

(₹ in'000s) Sr. Nature of Key Management Key Management Associate Relatives of Key Management personnel and Transaction Personnel Personnel of Enterprise owned and significantly influenced No. Concern Subsidiaries by Key Management personnel or their relatives Milan Satish M.Stones Prakash M.S. H.S. Bharti Global Milan Shraddha Vasumati Jeenoo Khakhar Khakhar Munde Munde Padharia Padharia Instile Marble Khakhar Khakhar Khakhar Solid Industries Tiles Ltd. Payments to & provision for : Director's Remuneration & Allowance 2430.00 2430.00 1057.31 60.91 480.00 480.00 (2430.00) (2430.00) (1202.05) (803.70) (480.00)(480.00) b) Rent 180.00 180.00 240.00 (180.00)(180.00)(240.00)99 85 99.85 18.00 c) Director's Fees (18.00) (82.32) (82.32) 18700.00 6800.00 574.64 a) Loans Taken (5000.00) 14065.00 1865.00 92.56 b) Loans Repaid (700.00) (260.00) (490.55) c) Loans Given 78.48 Purchase of Goods 37874.46 (23903.11) Sale of Goods 3235.90 (20285.96) 5 Deposits Receivable as on 31st March 3750.00 3750.00 10000.00 (3750.00) - (10000.00) (3750.00) Outstanding Payable as on 31st March 9016.00 5016.00 3250.31 541.86 54.00 36.00 (4300.00) (2205.29) (76.31) (446.73) (18.00) Outstanding Receivable as on 31st March 78.48 5103.42 (2713.65) 8 Outstanding Guarantee taken as on 31st March 115000.00 115000.00 115000.00 (100000.00) (100000.00) (100000.00)

(figures in Brackets relate to previous year)

NOTE 27: OTHER ADDITIONAL NOTES/INFORMATION

F Remuneration to Directors

₹ in '000s

1) Nature of transactions:

Remuneration to Directors	<u>31/3/2014</u>	<u>31/3/2013</u>
Remuneration	5918.22	6711.99
Perquisites	99.84	153.76

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

H Remuneration to Auditors		<u>₹ in '000s</u>
Particulars	<u>31/3/2014</u>	31/3/2013
As Auditors (inclusive of Service Tax)	112.36	112.36
Tax Audit Fees (inclusive of Service Tax)	67.42	67.42
Total	179.78	179.78

Lease :

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

Operating Lease:

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

		(₹ in '0 00s)
Particulars	March 31 ,2014	March 31, 2013
Not Later than One Year	807	1,018
Later than One year and not later than five year	NIL	NIL
Later than Five years	NIL	NIL

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

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

For ASHAR & CO

For and on behalf of the Board

Chartered Accountants (ICAI Regn.No.129159W)

YOGESH ASHAR PARTNER (Mem.No.046259) M. B. KHAKHAR
Chairman & Managing Director

V. B. KHAKHAR
Director

MUMBAI:

DATED: 29th May, 2014

SOLID STONE COMPANY LIMITED

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

CIN: U26960MH1990PLC056449

ATTENDANCE SLIP

Only Shareholders or the Proxies will be allowed to attend the meeting

2.2.124				
D.P. ID*			L.F. No.	
Client ID*			No. of Shares held	
I / We hereby record my / our pre September, 2014 at 9.15 a.m. at Signature of Shareholder(s) 1.	Orchid & Tulip, C	Centre-I, World Trade	e Centre. 1st Floor, Cuffe Parac	le, Mumbai-400005.
Signature of the Proxyholder				
* Applicable for investors holding	g shares in electr	onic form.		
Note: Shareholders attending the it over at the entrance of the me		son or by Proxy are	requested to complete the atte	ndance slip and hand
		PROXY FORM		
[Pursuant to section 105(6) of the Compar	nies Act, 2013 and r	ule 19(3) of the Companies (M	anagement and
	Ad	ministration) Rules	, 2014]	
CIN	: U26960	0MH1990PLC056449	9	
Name of the Company	: SOLID S	STONE COMPANY LI	MITED	
Registered office	: 1501, M	laker Chambers V, N	lariman Point, Mumbai - 400 02	21
Name of the member(s)				
Registered Address				
Email ID				
Folio No./ Client ID				
DP ID				
I/We, being the member(s) of	sl	hares of the above n	amed company, hereby appoint	:
(1) Name	Ad	dress		
E-mail Id	Sig	gnature		or failing him;
(2) Name	Ad	dress		
Email Id	Sig	gnature		or failing him;
(3) Name	Ad	dress		
Email Id	Sig	gnature		

As my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 24th Annual General Meeting of the company, to be held on Monday, the 29th September, 2014 at 9.15 A.M. at Orchid & Tulip, Centre-I, World Trade Centre. 1st Floor, Cuffe Parade, Mumbai-400005 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolu-	RESOLUTIONS	Opt	ional*
tion No.		For	Against
1.	Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors.		
2.	Declaration of Dividend on Equity Shares.		
3.	Re-appointment of Mrs.V.B.Khakhar, who retires by rotation.		
4.	Appointment of Messrs. Ashar & Co., Chartered Accountants as Auditors and fixing their remuneration.		
5.	Appointment of Mr.Gaurav S. Davda as an Independent Director.		
6.	Re-Appointment of Ms.A.Y.Parekh as an Independent Director.		
7.	Re-Appointment of Mr.Milan B.Khakhar as Managing Director.		
8.	Re-Appointment of Mr.Prakash B.Kahkhar as Joint Managing Director.		
9.	Special resolution under section 180(1)(c) of the Companies Act, 2013 for borrowing money upto ₹ 200 crore over and above the aggregate of the paid-up share capital and free reserves of the Company.		
10.	Special resolution under section 180(1)(a) of the Companies Act, 2013 for creation of security.		

Signed this	day of	. 2014	
Signature of shareholder:			Affix Rupee. 1 Revenue Stamp
Signature of Proxy holder(s)	:		

Note: (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

- (2) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 24th Annual General Meeting.
- *(3) It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Please complete all details including details of member(s) in above box before submission

TWENTY FOURTH ANNUAL REPORT 2013-2014 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 FOURTH ANNUAL GENERAL MEETING

ΑT

Orchid & Tulip,
Centre 1, World Trade Centre,
1st Floor, Cuffe Parade, Mumbai-400005
On Monday, 29th September, 2014
At 9:15 A.M.